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REVIEW OF THE REPORT OF THE COMMISSION TO ASSESS VETERANS' EDUCATION POLICY AND THE RESPONSE OF THE DVA

HEARING

BEFORE THE

SUBCOMMITTEE ON
EDUCATION, TRAINING AND EMPLOYMENT

OF THE

COMMITTEE ON VETERANS' AFFAIRS
HOUSE OF REPRESENTATIVES

ONE HUNDRED FIRST CONGRESS

FIRST SESSION

AUGUST 2, 1989

Printed for the use of the Committee on Veterans' Affairs

Serial No. 101-24

U.S. GOVERNMENT PRINTING OFFICE
21-786 WASHINGTON : 1989

For sale by the Superintendent of Documents, Congressional Sales Office
U.S. Government Printing Office, Washington, DC 20402

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REVIEW OF THE REPORT OF THE COMMISSION TO ASSESS VETERANS' EDUCATION POLICY AND THE RESPONSE OF THE DVA

Wednesday, August 2, 1989

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON EDUCATION, TRAINING AND EMPLOYMENT,
COMMITTEE ON VETERANS' AFFAIRS,
Washington, D.C.

The subcommittee met, pursuant to notice, at 9 a.m., in room 334, Cannon House Office Building, Hon. Tim Penny (chairman of the subcommittee) presiding.

Present: Representatives Penny, Patterson, Long and Smith of New Jersey.

OPENING STATEMENT OF HON. TIMOTHY J. PENNY

Mr. PENNY. The subcommittee will come to order.

I want to welcome everyone here this morning. The subcommittee is meeting today to review the report of the Commission to Assess Veterans' Education Policy and the initial response from the Department.

The Commission was established by Public Law 99-576 in 1986 and charged with the responsibility of submitting a report on its findings, views and recommendations with respect to the need for distinctions between certificate-granting courses and degree-granting courses; the measurement of courses for the purposes of payment of educational assistance benefits; the vocational value of courses offered through home study; the role of innovative and non-traditional programs of education and the manner in which such programs should be treated for purposes of educational assistance benefits by the Department of Veterans Affairs; and other matters relating to the administration of DVA educational assistance programs as the Commission considered appropriate or necessary.

The Commission consisted of representatives of various entities which provide education and training and of veterans service organizations. The representatives were selected on the basis of their knowledge and experience in education and training policy, and the implementation of such policy with respect to programs administered by the DVA.

I want to commend Mrs. Janet Steiger, Chairman of the Commission, the members of the Commission, and the DVA on their reports. I also want to congratulate Mrs. Steiger, who is currently

Chairman of the Postal Rate Commission, on her nomination to serve as Chairman of the Federal Trade Commission. I understand her nomination hearing went very well.

Before we hear from our first witness, I want to recognize the ranking minority member, Chris Smith of New Jersey, for any statement he wants to make.

OPENING STATEMENT OF HON. CHRISTOPHER H. SMITH

Mr. SMITH OF NEW JERSEY. Thank you, Mr. Chairman. I am very pleased to have the opportunity to review the report submitted to Congress by the Commission to Assess Veterans' Education Policy and thank you for your initiative in setting up this hearing this morning.

The Commission, I believe, has done a commendable job of identifying problem areas within the VA's various educational programs and has offered some excellent suggestions to help improve the programs. The Commission suggests several changes in VA education policy. The recommendations are designed to improve implementation of the programs, simplify the system under which benefits are adjudicated and administered, and help the veteran attain his or her educational goal in an efficient, effective manner.

Many of the recommendations, I believe, are appropriate and responsive to the needs of today's student population. Due to the fact that many students pursue educational degrees in non-traditional ways, and also have responsibilities and commitments other than their education, we need to provide enough flexibility in the programs to accommodate those needs. In its report, the Commission submits suggestions to help achieve this goal.

Mr. Chairman, at about 9:20 this morning, I will have to leave in order to testify before a Public Works subcommittee in order to push a bill that I have introduced to prohibit the dual hauling on trucks of garbage and food. But at the conclusion of that testimony, I will return and join you in the questioning.

Mr. PENNY. Thank you, Chris.

I also want to indicate that I plan to wrap the hearing up by 10:30, if at all possible. So I ask all witnesses to limit their oral statements to 5 minutes. Your entire statements, as always, will be included in the printed record.

Additionally, I ask unanimous consent that written questions may be submitted to witnesses following the hearing. Questions and responses will also be included in the hearing record.

I want to call forward our first panel. They are the Honorable Janet Steiger, Chairman of the Commission to Assess Veterans' Education Policy, accompanied by Ms. Babette Polzer, Executive Director of the Commission; Mr. Grady Horton, Deputy Chief Benefits Director, Department of Veterans Affairs, accompanied by Ms. Mary Leyland, Deputy Director, Vocational Rehabilitation and Education Service; and Ms. Lynn Denzin, president of the National Association of Veterans Program Administrators.

I'm glad you're here today, and we will begin with Mrs. Steiger.

STATEMENTS OF HON. JANET D. STEIGER, CHAIRMAN, COMMISSION TO ASSESS VETERANS' EDUCATION POLICY, ACCOMPANIED BY BABETTE POLZER, EXECUTIVE DIRECTOR; GRADY W. HORTON, DEPUTY CHIEF BENEFITS DIRECTOR, DEPARTMENT OF VETERANS AFFAIRS, ACCOMPANIED BY MARY LEYLAND, DEPUTY DIRECTOR, VOCATIONAL REHABILITATION AND EDUCATION SERVICE; AND LYNN DENZIN, PRESIDENT, NATIONAL ASSOCIATION OF VETERANS PROGRAM ADMINISTRATORS

STATEMENT OF JANET D. STEIGER

Mrs. STEIGER. Good morning, Mr. Chairman. We have a brief precis of our statement and would ask that the full statement be entered into the record.

Mr. Chairman, members of the committee, and distinguished guests, as Chairman of the Commission to Assess Veterans' Education Policy, I am delighted to be with you this morning. I do want to express my deepest gratitude to all who participated in the Commission's activities and contributed to making our mission a success.

The Department of Veterans Affairs deserves a great deal of credit. The support and cooperation we have enjoyed have been outstanding. Many dedicated VA professionals assisted us in our initiatives and their help was invaluable. We are particularly indebted to Celia Dollarhide, Dennis Wyant, Mary Leyland, who is here with us this morning, and the entire staff of the VA's VR&E Service. Likewise, the members and staff of this subcommittee, particularly Jill Cochran, were extremely helpful. A special thanks goes to June Schaeffer, both in her VA capacity and during her fellowship here, for her contributions to our efforts.

At this point I want to call attention to a number of specific issues. I will not go over each of our recommendations. Nonetheless, I am prepared to discuss any issues that are of interest to the subcommittee.

In our first report we set forth a number of principles guiding our deliberations. Among those was that standardization should be sought among the extraordinarily complex VA education programs in order to eliminate administrative difficulties and ensure accuracy in benefits. Likewise, greater emphasis must be placed on the veteran for conscientious use of those benefits.

Our recommendation that the VA adopt a consolidated-region approach to the processing of all education claims provides a framework for an efficient and effective delivery system. One advantage of this approach is improved services and equal and consistent application of the law. Although the VA agrees in principle with this approach, we remain concerned that the issue of direct-line supervision within the education system is still a question and believe that the direct line authority of an education ombudsman must be made clear.

The thread of standardization and greater veteran responsibility is woven through other Commission recommendations, including those relating to monthly self-certifications, change of program limitations, up-front counseling for veterans, removal of distinctions between non-college-degree and degree training, measurement, and standardization of programs in general.

We are delighted that VA is moving quickly to implement our recommendation to establish a task force to explore various standardization and measurement issues. We heartily endorse this action, Mr. Chairman, and urge that the work of the task force be completed without delay. I note that the members of this task force are with us this morning and I want to take this opportunity to wish them well in their important efforts.

At this time I would like to discuss in some detail a number of the Commission's recommendations requiring legislative action.

First, we recommend that individuals training under chapters 35 and 106 be made eligible for VA work-study programs. VA disagrees, in part, with our recommendation. We have considered their arguments, but we continue to believe that the issue is not so much one of having funds to cover and create positions but, rather, finding individuals to fill those positions. Expanding the universe of eligibles should enhance the success of that program.

The Commission also stands behind its recommendation for a 10-step approach for wages under the work-study program, or at least that some consideration be given to incorporating a transportation allowance under certain conditions.

Second, with respect to reporting fees, a significant period of time has passed since the last increase in reporting fees and we stand firm in our support for an increase.

Third, with respect to the elimination of the limit on the number of changes of program a veteran may have, I note this is one of the few issues on which the Department and the Commission have not reached agreement. The Commission stands behind its original recommendation. Basically, our position is rooted in the belief that the fewer times the VA is called upon to make judgmental decisions, the better it is for all concerned. According to VA figures, in 1988, fewer than 3 percent of all trainees had a second or subsequent change in program. The Commission does not believe this constitutes a major threat of abuse.

Finally, with respect to measurement, the Commission is greatly encouraged by VA's response as set forth in its report. The Department has taken a very positive and progressive posture and it should be congratulated. We encourage the VA to pursue aggressively the study it proposes, and we endorse its objectives.

We also recognize the breakthrough represented by the Department's position on the elimination of absence reporting for non-college-degree programs.

Mr. Chairman, there are a number of new issues addressed in our final report, including three which relate directly to the Montgomery GI Bill—the rate of benefits for training while on active duty, enrollment in chapter 30 as a retention tool, and restoration of pay reductions under the chapter 30 program. They are discussed in our July 27 report and I call your attention to them.

Mr. Chairman, that concludes my prepared testimony. I want to thank you and all the members of our committee for your support and interest in the Commission's work. My hope is that what we have tried to do will result in improved benefits and services to our Nation's veterans.

[The prepared statement of Janet D. Steiger appears at p. 19.]

Mr. PENNY. Thank you, Mrs. Steiger.

Mr. Horton.

STATEMENT OF GRADY W. HORTON

Mr. HORTON. I am pleased to be here today to discuss the report of the Commission to Assess Veterans' Education Policy. Mr. Chairman, I would like to express the VA's appreciation to Mrs. Steiger, to the other members of the Commission, and to Babette Polzer, who really did a great job in putting together very complex issues.

The VA is in general agreement with a majority of the Commission's recommendations on the central issues addressed. Of particular significance are the regionalization of the chapter 30 processing, course measurement, simplification of program administration, and standardization of veterans' education programs.

On other issues, we support work-study students receiving the Federal or applicable State hourly minimum wage, whichever is higher, removing the distinction in attendance reporting requirements between degree and nondegree institutions, and modifying the criteria for determining waivers of the 2-year rule and the 85/15 rule for certain courses provided under contract with the DOD to include reservist training under chapter 106.

We have already formed a task force of field personnel to study certain Commission suggested alternatives. In fact, the members of the task force are meeting this week and are in attendance in our audience today. Inasmuch as we have concerns about the Commission's position on removal of the limitation on changes of program, we strongly recommend that further consideration be given to the Commission's recommendations and other possible alternatives before undertaking any legislative action in this area.

As for difficulties in child care arrangements constituting mitigating circumstances, we recently held a nationwide "hot line" conference with our field stations to re-emphasize that child care problems were to be considered as mitigating circumstances. Our regulations will be changed to confirm our existing policy.

That concludes my testimony. I would be happy to answer questions.

[The prepared statement of Grady W. Horton appears at p. 29.]

Mr. PENNY. Thank you.

Ms. Denzin.

STATEMENT OF LYNN DENZIN

Ms. DENZIN. Good morning, Mr. Chairman, and committee members. On behalf of the National Association of Veterans Program Administrators, I am very pleased to present our views on the recommendations made by the Commission to Assess Veterans' Education Policy and the response of the Department of Veterans Affairs.

NAVPA would like to thank the members of the Commission for the time and effort spent in preparation of their recommendations. We recognize and appreciate the long hours of discussion which were necessary to develop their proposals.

Three themes which seem to prevail in the recommendations relate to communication, simplification, and standardization. Communication among all those concerned can be developed and en-

hanced by the suggestions of training sessions, publications, working with institutions which have shown some problem areas, the ombudsman concept, need for a toll-free number for chapter 30 processing centers, the need for more and improved counseling to explain benefits and individual responsibilities, and enhanced computer capabilities to include electronic transfer of materials.

The simplification and standardization components go hand-in-hand in many of the proposals. Proposals which encompass these include modification of the 30-day rule, abolishing the limit on the number of changes of program, eliminating distinctions between non-college-degree and degree, eliminating the arbitrary distinctions and measurement of credit to allow payment of benefits based on credit hours earned, elimination of standard class sessions, approval of remedial classes and work study for all chapters, and the much needed rewriting of the chapters of title 38.

We support the VA response that some of these proposals will require further study and, in some cases, formation of a task force. NAVPA supports the inclusion of educational institutions in discussions concerning the Commission proposals, and with representation on the task force which has been formed.

In recent conversations with the VA Central Office, we have found that a task force of internal VA personnel has been formed to further study the recommendations. That task force is composed of ELRs and adjudicators from the field, as well as Central Office personnel. Central Office has indicated that as soon as the task force has had the opportunity to make response, the educational advisory committee, NAVPA, and other educational groups will have the opportunity for comment. We welcome the opportunity for input and look forward to receiving information.

We encourage this committee to examine the lag time experienced in processing monthly self-certifications, to encourage the writing of title 38 into simplified form, to encourage the VA in support of an increase in the reporting fee paid to institutions, and to continue in the effort to standardize the benefits paid to all chapters of VA educational benefits.

Thank you.

[The prepared statement of Lynn Denzin appears at p. 159.]

Mr. PENNY. Thank you very much.

Because of his time constraints, I want to yield to the ranking minority member to ask questions of this panel first. Then we'll go on the majority side.

Mr. SMITH OF NEW JERSEY. Thank you, Mr. Chairman, for that courtesy. I appreciate it.

Mr. Horton, the Commission builds, I think, a very strong case for the concept of consolidated regional processing of education claims. I realize that you have already and recently regionalized chapter 30 processing. I'm interested in knowing a number of things.

Number one, what the advantages and disadvantages are that you have found in this system, what problems you anticipate that you may encounter in expanding the regionalization of all educational benefit claims, and how you believe the expansion of this system would ultimately improve claims processing?

Mr. HORTON. Well, that is a mouthful to chew on, Mr. Smith. I'll make an attempt at it.

It's a little too early to tell how well that process is working and what advantages we're having in the chapter 30 program. At this time, we've only been operating for about a month. We haven't encountered major problems with it. But this is the slack time in education enrollment anyway, which is the reason we did it at this time, so it's a little too early to declare a victory.

The reasons behind our moving into four offices from one were space problems and other problems that we had at our St. Louis office. That was one of the driving forces behind it.

As to the difficulties, we naturally have increased difficulties in getting the mail sent to the right places and getting the certifications sent to four offices instead of one. If I understand your question correctly, you're anticipating that we might consolidate other programs into the four offices. Coming from 58 down to 4 would be a simplification in some cases, of the mail process and others. At this time we are certainly looking into the future consolidation of other programs into the four offices. However, we've got to make sure the present system is working.

There are a couple of major concerns I have in that area. One of them is that I do not intend, and would never want to see, a regional office not have responsibility for education in that State. I do not want to pull the Education Liaison Representative function out of our regional offices. I do not wish to see us try to administer a program totally from four processing centers. The State presence must remain. That's important.

The other major concern I have is in the area of establishing approval criteria so that we have a data processing system which will allow us to make rational approval decisions and enable us to see electronically that courses are approved.

Mr. SMITH OF NEW JERSEY. Thank you, Mr. Chairman. I have four additional questions and I would like to submit those for the record.

Mr. PENNY. Without objection, they will be submitted and the responses will be reported in the record.

Mr. SMITH OF NEW JERSEY. Thank you.

Mr. PENNY. I'm curious to know how your folderless file system is working.

Mr. HORTON. Mr. Chairman, that system seems to be working pretty well, but we have a formal evaluation being made of it and that is supposed to be completed, I believe in September?

Ms. LEYLAND. No. We're anticipating it some time after the first of the calendar year.

Mr. HORTON. Okay. The first of the calendar year we should complete the evaluation of that process.

It has some very positive things about it. Two people can look at the file at the same time. If our adjudicators are working on the file, a veterans benefits counselor talking on the telephone can pull up the same information and look at it, which is an obvious advantage. You never lose a file. The particular data processing setup that we have there allows for split screens, where you can look at a piece of paper in one file and make the award on the same screen, so that you're looking at the information you need.

The only significant drawback we see at this time is that the system has a great deal of front-end loading and indexing. It's very labor intensive at the start. When we get a piece of paper in, we have to make sure the right claim number is put in the system, and then we verify that the claim number is put in correctly, and then we verify it again. This is very labor intensive up front, but then you never lose a file. I'm reasonably optimistic that the study is going to show it's an effective way of handling claims, but we do have to wait for the formal report.

Mr. PENNY. I'm also interested to know where things stand with the study regarding the effectiveness of monthly self-certification. I know that that study is not due yet, but do you have some preliminary observations?

Mr. HORTON. Yes, we do. The monthly self-certification process seems to be working very well. We're confident that it prevents overpayments because the veteran tells us when he or she drops out of school or drops a class and we can take appropriate action at that time.

There is a concern, I suppose, that this is a little bit time-consuming: the veteran has to send in the certification before he or she can get paid, and we have to process it. However, we process those fairly rapidly. Ordinarily, a veteran who sends the certification in on the first of the month is getting paid around the 10th to the 14th, and then, of course, every month he or she will get a check at about the same time. So once the initial lag has taken place, the veteran gets a check every month. It seems to be working, Mr. Penny.

Mr. PENNY. NAVPA indicates that there is a nationwide problem with student veterans receiving the certification letter late, or not at all, thus delaying receipt of the benefit check. Are you aware that a problem exists here, and if so, what are you doing to correct that?

Mr. HORTON. I am not aware of a nationwide problem. I do know that on a couple of occasions we have had some dispatch problems from our data processing center, but I'm not aware of a nationwide problem. I'll have to look into that.

Mr. PENNY. I may have some additional questions for you that we will, as a committee, submit to you in writing.

Mrs. Steiger, Congressman Bosco recently made an observation about a problem under current law, where veteran students are restricted to a maximum of 250 hours during a semester or other applicable enrollment period in terms of their work-study program. As a result, work opportunities are restricted for semester students as compared to those who operate on, say, a quarter system, because it's a shorter time frame.

How can we fix that?

Mrs. STEIGER. Mr. Chairman, this was not brought to the attention of the full Commission and we don't address it in the report. Nonetheless, upon hearing about it, we asked the executive director to look into it and I think she has come up with a good possibility.

It is a problem, and it would seem to us that the adoption of a weekly standard, perhaps 20 hours a week, might solve the prob-

lem and it might be more equitable for all involved. I would at least recommend this be looked at as a possibility.

Mr. PENNY. Thank you.

You also made some recommendations about up-front counseling. I think that has some merit and we've attempted to look in that direction in terms of other Federal student financial aid programs.

How would you distinguish your recommendation from the other types of counseling that are already provided?

Mrs. STEIGER. I think the Commission wanted to stress that this counseling would be VA approved, not necessarily VA provided. It's quite possible that the school could handle this job. We don't see it as an in-depth, professional counseling on career choice, Mr. Chairman. What we see it as is sort of rules of the game. Here is the type of counseling for a veteran entering and using his education benefits; here is what you are responsible for; here is what the VA provides. We think it could be done, in fact, by video tape. We are told that a tape already exists that's been developed by the VA that might be quite useful on chapter 30, and we think the reproduction of such a tape could reasonably be done, especially if it's done through an organization like NAVPA or AACRAO.

We don't see this as extending expensive liabilities for the VA, in other words. We do think it could have benefits both in the reduction of any misuse of the program by the veteran and in a happier veteran, one who understands up front where he or she may go within this benefit system. So we recommend highly that it be looked into.

Mr. PENNY. I am also interested in the collection on debts. You made a recommendation, I believe, that more cooperation between Federal agencies should be initiated in order to collect those debts. Precisely, what are the actions that need to occur to provide that coordination?

Mrs. STEIGER. First let me explain that we heard this in the field. We hear people discouraged. We want to prevent overpayments. We think one of the ways to prevent abuse in the program is to say up front that we are going to prosecute abuse. They recommend in the field that we have better cooperation and assistance from the Justice Department and from the IRS.

Now, the Commission is keenly aware of the burdens on those two agencies, and we do not say this in a critical manner. But we would recommend that at the very onset of this program it is important to make it clear that prosecution will take place. In the past, word got out that nobody would be prosecuted for amounts, overpayments, under the sum of, say, $600. Well, that's just like giving a license to go ahead and take $599.50. We would like to see enough action taken, that the word is clear, that the VA will stand behind prosecution, that other agencies will help. We think it wouldn't take much before the word got out that this was serious business.

Mr. PENNY. The last question I have today deals with the change of program. You made a recommendation regarding the change of program. What changes should we consider legislatively? Should we further define what we mean by change of program so that we aren't forcing students to submit a change of program notice to the Department of Veterans Affairs when they really haven't made a

fundamental change in their academic undertaking? What are you getting at there?

Mrs. STEIGER. Well, we stand with a broader position. Just abolish it. It's consistent with the feeling of the Commission that you are dealing here with an adult learner, who is liable to be more responsible, who should have the ability to make the fullest use of benefits which she has or he has, indeed, paid in part. We think it's just too paternalistic to be monitoring these changes.

Mr. PENNY. How much are students tied down now on that requirement? Give me some examples of something that would be considered change of program and why it's inappropriate that they should have to report that.

Mrs. STEIGER. I'll give you a particularly egregious one. There are many noted in the Commission's first report.

You have two veterans that start out. One declares that his or her goal is a law degree. The other does not. The first veteran, let's say, gets an associate degree in economics, goes on and gets a BA in political science, winds up and goes to law school. That veteran may have had two changes of program. His companion declares at the outset "I want to go to law school", gets exactly the same degree and there is no change of program. We think this is just not worth the coin.

I would stress again that only 3 percent of the veterans experienced change of program in 1988, and we think this is a small enough item that you are not going to see massive abuse or a problem. We just think it should go. We would be happy to provide other examples for the record if you would like, Mr. Chairman.

Mr. PENNY. I would like Mr. Horton and maybe Ms. Denzin to respond to that from your perspectives.

Mr. HORTON. Mr. Chairman, this is another example of a situation where we totally agree with the principles that the Commission has expressed. I think we have over the years been too paternalistic in this area and that we probably over-cured our problem by being too restrictive. Although the Commission and DVA testimony and responses show that there's a big difference between our positions, I think the position is really fairly narrow and I believe the answer to it is to find a better definition for "change of program." We're willing to work on that.

There are a few of us who still feel there is an element of abuse that could happen, where a veteran student could just willy-nilly take any course that he wanted. But I think the general principle that a veteran is pursuing a worthwhile goal in education could lead to a definition of change of program that would eliminate the problems we're seeing.

Mr. PENNY. Would it be satisfactory to have the school verify that the course work being taken is compatible with the types of courses that you would have to take to receive a degree within a certain time frame?

Mr. HORTON. That is one of the ways we could do it.

Mr. PENNY. It wouldn't necessarily have to be fussy, whether the degree was economics or social studies, as long as the school was satisfied that these are the types of courses that a student would be taking at this stage in order to get that degree within 2 years or 4 years, whatever the program might be.

Mr. HORTON. That is one avenue that could be explored. We also have a requirement that when a person loses 12 hours of credit changing from one school to another, or one program to another, that is considered a substantial loss—and meets the definition of a change of program. We can change and be more liberal about that requirement.

I think there are a number of ways that we can approach this without just totally changing the law to drop the requirement and give unlimited change of programs.

Mr. PENNY. Ms. Denzin, do you want to react to that?

Ms. DENZIN. We do support elimination of the change of program limitations. As Mrs. Steiger said, there is a relatively small percentage of people who do change their program.

Additionally, among regional offices of the VA there are inconsistencies in how those changes of program are counted. You may in one State be counted for a change of program and in another one not. Because of that inconsistency, we believe it should be dropped.

Also, with the up-front counseling, we think the veterans can make their educational choices better and there will be even less changes of program.

Mr. PENNY. I don't have any further questions of this panel.

Mrs. Patterson, do you have questions?

Mrs. PATTERSON. Thank you, Mr. Chairman. I really don't have a specific question, but I would say—and I believe the chairman knows this—I've had meetings with our vocational school people in the North Carolina and South Carolina area, and they are concerned, as you mentioned in your statement, about the treatment of the vocational schools and baccalaureates, trying to work out the differences in how they are treated in this program. So I look forward to proposing some amendments or directing some questions in this area.

Mr. PENNY. Thank you, Mrs. Patterson.

There may be some additional questions that the committee staff may want to submit or certain members of the committee may want to submit. If so, we would appreciate your responses to those in a timely manner.

If we're going to proceed with legislation, it would be our hope to draft that legislation during the August break and have it ready for introduction in September. So your ongoing cooperation with the subcommittee in that regard would be appreciated.

Thank you for your presence this morning.

Mrs. STEIGER. Thank you, Mr. Chairman.

Mr. PENNY. Our second panel will include Mr. Samuel Walsh, deputy director, National Legislative Commission, the American Legion, accompanied by Mr. Richard Christian; and Mr. John Bollinger, associate legislative director of the Paralyzed Veterans of America.

I thank you all for being with us today. We will begin with Mr. Walsh.

STATEMENTS OF SAMUEL J. WALSH, DEPUTY DIRECTOR, NATIONAL LEGISLATIVE COMMISSION, THE AMERICAN LEGION, ACCOMPANIED BY RICHARD S. CHRISTIAN, DEPUTY DIRECTOR, NATIONAL VETERANS AFFAIRS AND REHABILITATION COMMISSION; AND JOHN C. BOLLINGER, ASSOCIATE LEGISLATIVE DIRECTOR, PARALYZED VETERANS OF AMERICA

Mr. WALSH. Thank you, Mr. Chairman. With me this morning is Dick Christian, Deputy Director for our National Veterans Affairs and Rehabilitation Commission, and he will be presenting our summary statement.

STATEMENT OF RICHARD S. CHRISTIAN

Mr. CHRISTIAN. Mr. Chairman, we appreciate the opportunity to offer the American Legion's view on veterans education policy.

The American Legion has reviewed the recommendations of the Commission report, together with the VA interim report. In summary, in the past month the VA announced it will implement regionalization of the processing of chapter 30 GI bill education claims for active duty personnel. Currently, all chapter 30 claims are centrally processed at the St. Louis VA regional office in connection with the ongoing optical disk test project. Chapter 30 workload is being shared with three other regional offices.

The American Legion offered no objection to the establishment of the project which necessitated the assignment of chapter 30 claims to the St. Louis VARO for the purpose of evaluating the technology in processing claims as an alternative to paper records. We are concerned by the precedent which may be established by the proposed regionalization. We feel strongly that this Nation's veterans should be provided high quality service in an expeditious manner.

The regional offices were established to serve veterans within a particular State or part of a State. There have been a number of proposals to consolidate or regionalize VA's claims processing and adjudication activities. Under this concept, there would be only minimal local assistance available. If this recommendation were to be implemented, we believe it will serve as a precedent for further movement toward centralization.

The VA did not concur with the Commission recommendation for the removal of restrictions which permit one change of program with any subsequent change in program requiring prior VA authorization. We believe current law and regulations provide sufficient latitude in allowing changes. We support the recommendation to incorporate a counseling requirement into determinations on a request for a change of program beyond an initial change.

The Commission recommended the removal of certain distinctions between degree and nondegree programs. VA responded that certain requirements apply only to non-college-degree programs such as enrollment periods, school reporting requirements, and so on.

Technical and vocational non-college-degree courses have become more academically oriented to the point where veteran students enrolled in these classes sit side-by-side with students enrolled in degree programs. As a result, the regulations promulgated many

years ago, accredited degree institutions maintained standards of quality and attendance for each type of program which, in effect, discriminated against those veterans taking non-college-degree courses by applying more stringent rules in the areas of course-load measurement and attendance monitoring. We believe an inequity now exists and support the removal of these distinctions.

With regard to the Commission's recommendation that continuing education courses should be approved for GI bill benefits, we share the view that the approval of such courses for veterans educational assistance benefits would not be consistent with the stated purposes of the GI bill program. The 2-year rule prohibits VA from approving the enrollment of veterans in courses of education which have not been in operation for at least 2 years. The 85/15 rule provides that veterans may not be enrolled in any course in which more than 85 percent of the enrollees have all or part of their tuition, fees or other charges paid to or for them by VA or by the educational institution.

The long-standing restrictions on the type of programs and courses which may be approved for veterans have been implemented over the years in response to instances of abuse. We have been strongly supportive of the efforts of Congress and VA to ensure the continued integrity of the GI bill programs and that eligible individuals continue to receive the educational assistance benefits to which they are entitled under the law. We wish to express our support of the recommendations to retain these provisions.

Mr. Chairman, that concludes our summary.

[The statement of the American Legion appears on p. 167.]

Mr. PENNY. Thank you.

Mr. Bollinger.

STATEMENT OF JOHN C. BOLLINGER

Mr. BOLLINGER. Thank you, Mr. Chairman.

On behalf of the members of PVA, I want to thank you for this opportunity to testify today on the recommendations made by the Commission to Assess Veterans' Education Policy.

First off, I would like to congratulate the Commission for their efforts to produce what we believe is an invaluable tool for both the Department and the two Committees on Veterans' Affairs.

The 19 recommendations the Commission has made are based on several assumptions and principles that we believe to be most relevant in considering the entire environment in which DVA education programs operate. Among other things, the Commission has stressed the importance of adequate resources that will enable the Department to meet and sustain staffing, automated data processing, and for other reasons. Without question, the issue of adequate resources is the driving force behind the potential success of these programs and the recommendations made by the Commission.

We're deeply concerned that in areas such as staffing and ADP, the Veterans Benefits Administration will fall short of being able to provide the necessary manpower and sophisticated automation needed to carry out many of these worthwhile initiatives that in the long run will be cost effective and in the best interest of the Department and the beneficiaries it serves.

In view of the reductions in DVA staffing over the past decade, we believe the Department must consider alternatives to the current benefit delivery system. The actual processing of educational claims may very well be accomplished more efficiently in a handful of large regions instead of all 58 regional offices. Individuals such as veterans benefits counselors and those having direct line responsibility for education programs must continue, however, to ensure that the program participants are able to get assistance and advice at all of the regional offices.

Regarding certifications, reports and effective dates, we firmly believe that these requirements should be standardized for all trainees. Monthly certification cards have long been a source of check delays and confusion. Required signatures by school officials on such cards have also added to the delays.

Having said that, we do have concerns about the Commission's recommendation which would authorize the Secretary to require monthly self-certification verifying pursuit of training for all education programs. We're concerned about the large volume of certifications flowing into regional offices every month and the effect that will have on the delivery of benefits. The number of such certifications will clearly be significant, as every student in every DVA education program will be required to submit one on a monthly basis. Obviously, the chance of an individual certification becoming lost, causing benefits to actually be withheld, will rise proportionately.

Regarding adjustments in benefits under all chapters that are required because of changes in training time, PVA supports the Commission's recommendation. Although we support counseling requirements for changes in program and the elimination of limitations on the number of changes, we are again concerned about the staffing requirements and increased work loads this might require. We're concerned that veterans may be forced to wait long periods of time before they are able to get counseling. We also understand the Department's concern about potential abuse, and we suggest this recommendation be closely monitored if enacted.

We strongly endorse the Commission's recommendation to the Department to provide routine counseling at the outset of a student's training. In addition, this would present an excellent opportunity for the Department to make clear its intent to be aggressive in its effort to collect justified debts due to education overpayments and abuse of the program.

Finally, we support the Commission's recommendations regarding standardization, training and associated administrative resources and the work-study program.

That concludes my testimony, Mr. Chairman. Thank you.

[The prepared statement of John C. Bollinger appears at p. 173.]

Mr. PENNY. Thank you, Mr. Bollinger.

Concerning the American Legion position on regionalization, if it is shown that consolidation of claims processing produces more timely and quality decisions and local personnel that are available to discuss the issues, wouldn't this be of a benefit to veterans, Mr. Christian?

Mr. CHRISTIAN. Mr. Chairman, the American Legion has a resolution strongly opposing regionalization. That has yet to be deter-

mined, whether or not the regionalization would be responsive to the veterans out in the particular States.

Mr. PENNY. You don't see the local offices being out of the loop entirely here, do you? Wouldn't they still serve as the first point of reference for most veterans?

Mr. CHRISTIAN. We see it as providing the minimum advice and counsel on claims. We don't have enough experience yet with the four total now.

I think the heart of the American Legion position is that—and this has been discussed over the years, this constant issue of regionalization. It places the decisionmaking and the adjudication too far away from our post service officers and the veterans.

Mr. PENNY. The NAVPA witness recommended that refresher training be limited by a set number of total hours rather than the current restriction to 9 months during which the benefits may be utilized. Would you support this suggestion?

Mr. CHRISTIAN. Yes, sir, we have no objection.

Mr. PENNY. And what total number of hours do you think would be appropriate?

Mr. CHRISTIAN. We don't have enough experience. That's an educator's decision, unless Sam could provide more information on that.

Mr. PENNY. Your testimony indicated that you support the removal of the distinction between credit hour and clock hour measurements?

Mr. CHRISTIAN. Yes, sir.

Mr. PENNY. Could you elaborate a little bit about the benefit to veterans with that kind of adjustment? Is that simply because of the changes that you see evident in technical training nowadays as compared to the kind of programs that were in place years ago?

Mr. CHRISTIAN. We believe so, that there's more classroom academic work today, even with the technical areas.

Mr. PENNY. Thank you.

Mr. Bollinger, it was pointed out earlier that a commissioner submitted a separate view regarding reporting fees, suggesting that if schools' certification responsibilities were reduced as a result of self-certification, an increase in the reporting fee would not be justified. Would you agree with that?

Mr. BOLLINGER. My concern is that again--Mr. Chairman, your question is concerned with monthly self-certifications, correct?

Mr. PENNY. Yes.

Mr. BOLLINGER. Okay. My concern is that again, this would be far too much in terms of work load that the VA is presently able to handle. I don't know whether or not it would reduce the reporting fees for the school. I'm just unable to answer that.

Mr. PENNY. We have received only a few letters from veterans indicating a problem with monthly certification. What do you hear from your membership in regard to that?

Mr. BOLLINGER. Well, mostly our testimony is based on conversations we've had with our benefits office and our service officers across the Nation who deal daily with cert cards and anything that is required on a monthly basis. Again, their concern is that the high volume of cards that come in is going to cause a problem.

Mr. PENNY. What was that again?

Mr. BOLLINGER. That the high volume of cards that is required will cause a problem.

Mr. PENNY. In terms of just processing those?

Mr. BOLLINGER. Correct.

The other thing is that now, for example, with college level courses, the school sends in an enrollment certification for a semester and the check can be relied on coming around the first of the month on the first pay cycle. One of our concerns is that as these monthly self-certifications are required, it is going to be staggered and checks will come in, will be processed and will hit a subsequent pay cycle during the month which a veteran cannot rely on. We're also afraid this will cause duplication of paperwork when a check doesn't appear on time and the veteran comes back to the Department or back to the school and says he's having a problem and the paperwork is then resubmitted.

Mr. PENNY. You made some remarks regarding the Commission's recommendation on changes of program. There is obviously two sides to this coin. We are dealing with adults here. They should be trusted to a great degree to handle their education benefits without an awful lot of intervention. By the same token, we want to protect against abuse or misuse of the money if there is no degree or training in preparation for employment results.

Do you see any middle ground between what we now have as a policy and the recommendation that we basically move away from any notification on a change of program?

Mr. BOLLINGER. I think the middle ground would lie in the counseling requirement. As I say, I wouldn't limit the number of changes that a veteran could make, but I think our education service should be prepared to counsel that individual and make sure the program objectives are valid ones, and also, again, to bring up the abuse factor and to explain to the veteran that in the case of education overpayments or abuse the VA will, in fact, aggressively pursue the collection of justifiable debts. I think this is the middle ground.

Mr. PENNY. Would you anticipate the counselor being in the loop then in terms of certifying to the VA that, in their judgment, the veteran is pursuing a satisfactory course of study?

Mr. BOLLINGER. I'm not sure how far you would want to go down that road, because obviously, the more you include the counselor as saying yes or no to the veteran——

Mr. PENNY. They could, in a sense, have the counselor be their defense when the Department later on comes in and charges them with some misuse of funds.

Mr. BOLLINGER. You're almost getting back to one of the problems we're trying to eliminate here, which is the burdensome task of an adjudicator making this determination over and over again, and as was pointed out earlier today, sometimes inconsistently in different regional offices. So I think what we want to do here is provide guidance but not necessarily put the burden of making that decision on the counselor. Rather, as you say, we're dealing with mature individuals here and I think it's up to them to decide what in the long run their objective is going to be.

Mr. PENNY. All right.

Any other observations that either of the witnesses want to make before we conclude today's hearings? If not, I do appreciate your testimony. I don't have any further questions of either organization. If questions do occur to me, I may submit them in writing. If other members of the subcommittee have questions, we will submit those to your organizations in writing.

Since there are no further witnesses, we will dismiss this panel and adjourn the hearing. Thank you.

[Whereupon, at 9:55 a.m., the subcommittee adjourned.]

APPENDIX

TESTIMONY OF
JANET D. STEIGER, CHAIRMAN
COMMISSION TO ASSESS VETERANS' EDUCATION POLICY

BEFORE THE
HOUSE COMMITTEE ON VETERANS' AFFAIRS
SUBCOMMITTEE ON EDUCATION, TRAINING, AND EMPLOYMENT
AUGUST 2, 1989

Mr. Chairman, members of the Committee, distinguished guests and visitors, as Chairman of the Commission to Assess Veterans' Education Policy, I am delighted to be with you this morning.

As this Committee is aware, the Commission to Assess Veterans' Education Policy was established by section 320 of Public Law 99-576 and charged with making recommendations to the Congress and to the Department of Veterans Affairs on matters relating to the administration of VA educational assistance programs. We submitted our first report on August 29, 1988, eighteen months after the Commission was formally constituted. On April 27, the Department submitted its response to our report. Pursuant to the legislative timeframe, our final reply to VA's response was submitted to the House and Senate Veterans' Affairs Committees and the Secretary on July 27.

I want to take this opportunity to express my deepest gratitude to all those who participated in the Commission's activities and contributed to making our mission as successful as it has been. The Department of Veterans Affairs deserves a great deal of credit. The support and cooperation the Commission has enjoyed have never been less than outstanding. The latitude, flexibility, and foresight that the Department has exhibited throughout is demonstrated in its response to our recommendations. Many dedicated VA professionals participated in this initiative, and their contributions were invaluable. We are particularly indebted to Celia Dollarhide, Special Assistant to the Deputy Chief Benefits Director for Program Management, Dennis R. Wyant, Director of VA's Vocational Rehabilitation and Education Service, Mary F. Leyland, Deputy Director of VR&E Service, and the entire staff of the VR&E Service, including Ted A. Van Hintum, John L. Fox, Alan R. Zoeckler, William G. Susling, Robert H. Ketels, Gerald R. Weeks, and A. Wayne Taylor.

Likewise, the members and staff of this Committee -- particularly Jill Cochran -- were extremely helpful. The participation of all our Ex Officio members in our sessions added greatly to our deliberations. A special thanks must also go to June Schaeffer for her contributions, both in her capacity as Assistant Director for Education Policy and Program Administration and during her fellowship with your Committee.

I would like at this point to turn to the Commission's reports and call your attention to a number of specific issues. I will not go over point by point each of our recommendations. Nonetheless, Mr. Chairman, I am prepared to discuss and answer any questions the Committee may have regarding the Commission's recommendations, VA's response, and the Commission's reply.

In our first report, the Commission set forth a number of principles and assumptions which guided our deliberations. Among these were that, to the maximum extent possible, simplification and standardization should be sought among the ten extraordinarily complex and intricate education programs in order to eliminate administrative difficulties and ensure consistency and accuracy in benefit delivery. Likewise, we believe greater emphasis must be placed on the individual veteran's responsibility for conscientious use of these invaluable benefits.

Underpinning many of the Commission's recommendations and providing a framework for an efficient and effective delivery system is our recommendation that VA adopt a consolidated-region approach to the processing of all education programs. We envision a handful of processing centers together with an "ombudsman" capacity in each regional office, with direct-line responsibility flowing through the education program. We believe one advantage of this approach is the equal and consistent application of the law and improved services to beneficiaries.

VA agrees in principle with this approach and has expanded the processing of chapter 30 claims from one regional office to four. We understand that the Department is actively exploring the advantages of regionalizing the processing of all education claims and that the chapter 30 regionalization is being used to study the feasibility of this approach.

Nevertheless, we remain deeply concerned that the issue of direct-line supervision within the educational benefits system is still at question. Within the existing structure, this issue may be difficult to resolve. However, the Commission believes that, as the Department moves through this transition period, the direct-line authority of the "education ombudsman" must be made clear.

Similarly, the Commission is concerned that the St. Louis Regional Office will be the only one with capacity for optical disk "folderless files". We have urged that the Department clarify the status of computer and other technological capacity at the other processing centers at the earliest opportunity.

The thread of standardization and greater veteran responsibility is woven through other Commission recommendations. These include recommendations relating to monthly self-certifications, changes of program limitations, upfront counseling for veterans, removal of distinctions between non-college degree and degree training, measurement, and standardization of programs generally.

In this regard, the Commission is delighted to note that VA is moving forward quickly, implementing our recommendation, to establish a task force of VA education liaison representatives and adjudicators to explore various standardization and measurement issues. We applaud and heartily endorse this action and urge that the work of the task force be completed without delay.

Mr. Chairman, the Commission also supports continued administrative actions carrying out other recommendations that do not necessarily require legislation. A number of our recommendations -- such as those dealing with training and support services, automated data processing, publications, and adequate staffing -- are issues relating primarily to appropriations. Recognizing the very difficult funding situation in which VA so often finds itself, the Commission urges the Department, this Committee, others in the Congress, and the veterans community to continue to support adequate funding levels for the Department, as well as aggressive administrative actions. As

we noted in our original principles and assumptions, one of the most important keys to successful administration of VA education programs is adequate resources that will enable VA to meet and sustain needs for staff, computer resources, travel, training, and publications.

At this time, I would like to discuss in some detail a number of the Commission's recommendations requiring legislative action.

First, we recommend that individuals training under chapters 35 and 106 be made eligible for VA's work-study program. In our final reply, we suggest that, if chapter 106 eligibility is added, the list of authorized activities for work-study students be expanded to include specifically work with various guard and reserve units involving administration of chapter 106 benefits. Further, if individuals other than veterans are made eligible for the work-study program, the law might reflect preferences for categories of eligibles. The Commission made no recommendation in this area, but I raise it for your attention.

As you know, VA disagrees with our recommendation to make chapter 35 trainees eligible for the work-study program and takes no position with respect to chapter 106 trainees. We have discussed and considered their arguments, but remain firm in our belief that the issue is not so much a question of having necessary funds to create positions, as it is finding individuals interested in filling the positions that are available. Expanding the universe of eligible students would therefore be helpful in realizing the full potential of the program.

Likewise, although it recognizes VA's significant budgetary constraints, the Commission has decided to stand behind its recommendation for a ten-step approach for wages under the work-study program. In our initial recommendation, we attempted to resolve situations where an applicable State minimum wage would exceed the Federal minimum wage. We are pleased that VA endorses an approach under which the higher of the two would be paid. However, we remain concerned that this would do little to help the work-study student who is placed in an off-campus position and, specifically, in a VA

Regional Office. We believe that recruiting for these positions is made more difficult by commuting costs and suggest that some consideration be given to incorporating a transportation allowance under certain conditions.

Second, with respect to the payment of reporting fees to institutions, the Commission stands firm in its support for an increase in and a scale approach to these fees, as well as adding chapter 31 students to those on whose behalf an institution is paid a reporting fee. We recognize that this is again a budget issue, but point out the significant period of time that has elapsed since the last increase in reporting fees. Our final report suggests that the feasibility of a floor for the fee — that is, institutions with fewer than a certain number of veterans would not be paid reporting fees — might be an acceptable option.

Third, the rewriting of title 38 was an issue of some discussion at the Commission's most recent May 22 meeting. As you know, in response to our recommendation that the law be rewritten to provide for better organization, clarity, readability, and understanding, VA has taken the position that its limited resources could be put to more effective use. In our final report, we stress again the need for a rewrite -- particularly in light of the December 31, 1989, termination date for the chapter 34 program.

The Commission recognizes that this is not a responsibility that rests solely with the Department. Indeed, the Congress has the major role as the ultimate source of legislation. Perhaps, the Committees in the House and Senate could take the lead in developing a first draft of a rewrite. This is not an easy task nor one lightly undertaken. However, as VA itself points out in its response, "the legislation under which veterans' education benefits are paid is a patchwork accretion of individual acts and amendments enacted over a period of years" and "VA policies and procedures tend to show the same pattern of patchwork accretions as the governing legislation they implement." Mr. Chairman, the Commission reiterates its position that the patchwork pattern must be rewoven and hopes that the Congress will take the lead in this initiative.

Fourth, with respect to the elimination of the number of changes of program a veteran or eligible person may have, I note that this is one of the few issues on which the Department and the Commission have not reached agreement, and the Commission stands behind its original recommendation.

Basically, our recommendation is rooted in the belief that the fewer times VA is called upon to make a judgmental decision, the better it is for all concerned. This provision of law is a paternalistic restriction that the Commission believes can be safely eliminated. It is also an excellent example of an area in which greater responsibility may be placed on the veteran.

According to Department figures, in 1988, fewer than three percent of all trainees had a second or subsequent change in program. Accordingly, the Commission foresees no major threat of abuse. Nor does it believe that the restriction presents a significant deterrent effect. In short, the Commission believes that when balancing the chance that in the absence of this restriction a veteran may use 36 months of entitlement without achieving a goal versus the chance that a veteran may be denied use of benefits because it cannot be demonstrated that pursuit of a third program was discontinued by circumstances beyond the veteran's control, the former is preferable. This is especially true when we are dealing with a program to which the veteran -- a mature adult who has honorably served the Nation -- has made a financial commitment.

I want to stress that our recommendation was one that we developed based on conversations with Department personnel in various regional offices. They felt strongly, as does the Commission, that the current restriction is time-consuming, discriminatory, and should be eliminated.

Finally, with respect to measurement, the Commission is greatly encouraged by VA's response. The Department has taken a positive and progressive posture on this issue and deserves to be congratulated. We encourage VA to pursue actively and seriously the study it proposes to initiate on the measurement issue, and we endorse its objectives. We urge that a firm timetable and protocol for the study be established now. Indeed, it may be appropriate for

legislation to be introduced in the Congress along the lines envisioned by the Department's response to facilitate the full consideration of this proposal, as well as a complete debate on its merits within the education community.

The Commission also recognizes the breakthrough represented by the Department's position on eliminating absence reporting for non-college degree programs. This is a major step for VA to have made, and we believe it will do a great deal to bring the Department more in line with today's educational realities and to assist veterans training in these types of programs. The Commission's report fully supports elimination of this distinction between degree and non-degree programs.

Mr. Chairman, there are a number of new issues addressed at our May 22 meeting that are discussed in our final report. I call your attention to three which relate directly to the Montgomery GI Bill.

- Rate of Benefits for Training while on Active Duty: Under current law, GI Bill benefits for individuals training while on active duty are limited to the rate of tuition and fees or the full-time rate, whichever is the lesser. The Commission believes that this limitation may have a deleterious effect on the Montgomery GI Bill in terms of its use as a retention tool and that, unless a good justification for the continued application of this restriction can be demonstrated, it should be repealed.

- Enrollment in Chapter 30 as a Retention Tool: The Commission discussed and found merit in an approach that would permit individuals who had declined to participate in the chapter 30 program upon enlistment to establish eligibility for the program by re-enlisting or extending a commitment to military service. This would permit the individual service branches to offer upon extension of a military commitment a sign-up opportunity to a service member who completed a first obligated period of service. The young man or woman first entering the service may not realize the value of this important benefit; yet several years later, they may. In return,

such a second-chance opportunity might allow the military to retain the services of a trained and valuable soldier.

- Restoration of Pay Reductions under the Chapter 30 Program: Recent legislation provided that certain individuals who die while on active duty may have restored to their estate the pay reductions incurred under the Montgomery GI Bill program. The Commission has continued concerns in this area in two respects: First, the requirement for the deceased individual to have obtained a high school diploma or equivalency prior to death in order to be eligible for the pay restoration; second, the case of an individual who is discharged from the military as a result of a service-connected injury and who subsequently dies of service-connected causes within the ten-year delimiting period. We urge continued review of these issues.

Mr. Chairman, this concludes my testimony. Again, I want to thank you and all the members of this Committee for your support and interest in the Commission's work. My hope is that what we have tried to do will result in improved benefits and services to our Nation's veterans.

RECOMMENDATIONS OF THE
COMMISSION TO ASSESS VETERANS' EDUCATION POLICY

1. Adopt a regional approach to the processing of all education programs.

2. Require for all programs monthly self-certification verifying pursuit of training with a bar to benefits without it.

Require institutions to report changes in status within 30 days of date of knowledge of the event instead of within 30 days of the event.

Make training time changes effective date of change instead of end of month.

3. Abolish the limit on changes of program and require counseling for changes of program after the initial change.

4. Permit VA to target schools for compliance surveys based on factors outside the norm.

SAA resources should be concentrated on schools needing assistance rather than on required annual visits.

5. Provide counseling on an 'upfront' basis to individuals seeking to use GI Bill benefits as well as on a continuing basis.

6. Continue initiatives to facilitate aggressive and timely efforts to recover overpayments.

Adequate resources and personnel be made available.

Require other Federal agencies (Justice, Treasury, Education, and Defense) to cooperate in these efforts.

7. Remove arbitrary distinctions in the treatment of degree and non-degree (NCD) programs.

8. Determine rate of benefits based on progress toward an educational, vocational, or professional goal shifting concern from the mode of delivery to concern about progress in attaining the objective.

Eliminate standard class sessions as a measurement criterion and instead use the industry standard 'units'.

Limit independent and other non-traditional modes of study within the student's overall program to a maximum of 10% of the total length of the program.

Pay 75% of the otherwise applicable rate of payment for programs that do not meet the full time pursuit criteria, e.g. complete program by independent study.

9. Modify the 'mitigating circumstances' policy to permit students to withdraw without penalty from a course(s) up to a specified limit without producing mitigating circumstances for withdrawal.

Specify that 'mitigating circumstances' may include child care difficulties.

10. Make available on a regular basis up-to-date publications such as newsletters and manuals designed to assist institutions in administering benefits.

Rewrite the educational assistance chapters in title 38 USC to provide for better organization, clarity, readability, and understanding.

11. Provide GI Bill benefits for remedial, deficiency, and refresher training under all programs.

No charge to entitlement.

12. Increase the amount of reporting fees.

Payment should be based on a scale instead of head count.

Include Chapters 31 and 106 trainees in the count.

13. Permit the restoration of pay reductions as a death benefit and in certain other limited circumstances.

14. Make approvals of continuing education courses consistent with the stated principle of the GI Bill that programs of education must lead to an educational, vocational, or professional goal.

15. Sufficient resources should be available to carry out regular training sessions of all those involved in the administration of GI Bill benefits.

Enhanced computer capabilities should be made a priority.

Staffing and other resource allocation decisions take into consideration the increasing education workload.

Work measurement criteria should reflect the non-paper aspect of the administration of benefits, the need to enhance morale, and the provision of personal attention.

16. Reaffirm such provisions as the two-year rule, standards of progress criteria, and the '85-15 Rule'.

Apply these provisions to all programs.

17. In the work study program, provide for a flexible progressive payment scale that could be used to attract and retain quality work-study students, especially in high cost areas.

Expand work study eligibility to Chapters 35 and 106 students.

Additional Issues

1. Unable to reach a decision on whether accreditation should be a requirement for approval.

2. Expressed concern on the effect of the computer matching and privacy protection act.

3. Consider another open window at time of re-enlistment or extension therefore used as a retention tool.

4. DVA should look at fee basis medical care for Chapter 31 trainees.

5. Rates of benefits for training while on active duty should be same as for veterans.

STATEMENT OF

GRADY W. HORTON

DEPUTY CHIEF BENEFITS DIRECTOR

FOR PROGRAM MANAGEMENT

DEPARTMENT OF VETERANS AFFAIRS

BEFORE THE

SUBCOMMITTEE ON EDUCATION, TRAINING

AND EMPLOYMENT

HOUSE OF REPRESENTATIVES

August 2, 1989

Mr. Chairman and members of the Subcommittee:

Thank you for the opportunity to appear before this Subcommittee to testify concerning the report of the Commission to Assess Veterans' Education Policy and the response of our Department to the recommendations contained therein.

Mr. Chairman, before turning to the recommendations themselves, I believe it fitting to first remark on the excellent work accomplished by the Commission. We knew it would take an extraordinary effort to analyze and report on programs as varied, comprehensive, and complex as our educational assistance programs, particularly in the time allotted by law. Yet, the Commission, under the sound leadership of Chairman Janet Steiger, and with the fine assistance of its Executive Director, Babette Polzer, ably met this challenge.

We appreciate the thoughtful exchange of ideas toward improving our education program operations which characterized the entire process leading to the Commission's report, and commend the Commission for its many fine recommendations.

Mr. Chairman, over the years, our educational assistance programs have increased both in number and complexity. In the administration of the laws governing these programs, the Department of

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Veterans Affairs (VA) has tried to properly balance what are sometimes two competing interests. On the one hand, we strive to expeditiously pay veterans their benefits with as little red tape as possible. On the other hand, we must assure that these benefits are paid for the purposes Congress intended, under the conditions and at the rates provided by law. The Commission made a number of recommendations consistent with these objectives.

The VA agrees in concept with the vast majority of the Commission's recommendations on the central issues addressed. Our detailed comments on each of these issues is set forth in "An Interim Report on Veterans' Education Policy" which we previously submitted to the full Committee. Consequently, rather than merely reiterate such views here, we would instead like to emphasize those areas which we consider to be of particular significance.

First, the Commission recommended a consolidated-region approach for the processing of all education claims. In our "Interim Report," we indicated that we were studying the feasibility of this approach. We subsequently made the decision to regionalize our chapter 30 processing, adding to our existing St. Louis processing center, the Atlanta, Buffalo, and Muskogee regional offices as designated chapter 30 processing centers. We are pleased to announce that this regionalization recently has been completed. We would note that the St. Louis regional office will continue testing of claims processing through optical disk technology, and that we are continuing to examine the feasibility of regionalizing other education benefit program processing.

Next, and of equal significance, is the focus given the whole area of course measurement which has become increasingly complicated over the years. We think the Commission is to be especially commended for their recommendations in this area and

fresh insights into ways of simplifying program administration. We have already formed a task force of field personnel to study certain Commission suggested alternatives. The study will focus on the feasibility of eliminating the present distinctions between traditional and nontraditional modes of study, including course measurement without regard to mode of delivery or to standard class sessions, and on the nature and extent of restrictions necessary on the contracting out of instruction.

We wholeheartedly agree with the Commission's recommendation that the different features of the various veterans' education programs be standardized to the maximum extent possible, consistent with their design and purpose. This offers the dual benefit of promoting equity and enhancing program administration. We also agree with the Commission's suggestion that a task force of Adjudicators and Education Liaison Representatives be formed to compile an accurate and complete listing of the differences in current programs.

One Commission recommendation intended to bring uniformity to the processing of all education claims warrants particular consideration since, in addition to its own merits, it could serve as the foundation for other changes toward improving program effectiveness. This recommendation would require monthly self-certification by veterans to verify pursuit of training, a prerequisite to receipt of benefits, for both degree and nondegree training and for all rates of training, including training on less than a half-time basis.

The VA has undertaken a test and study of self-certification, currently a requirement only under the Montgomery GI Bill-Active Duty program, to determine its effectiveness in maintaining the integrity of the GI Bill while enabling disbursement of public funds to eligible persons in an efficient and economical manner.

Consequently, while we agree in concept with the recommendation, and would not object to legislation granting the VA discretionary authority to require self-certification on a monthly or other basis, our position on the actual implementation of such a procedure for all our education benefit programs will depend on the results of our current study of chapter 30.

If the efficacy of self-certification is confirmed, we would support, as well, the Commission's recommendation that the effective date of a benefit adjustment based on a change in a student's course load or other change would be the date the change occurred, instead of the end of the month in which the change occurred. Monthly self-certification would avoid the overpayment situation which otherwise would follow from implementing this effective date proposal alone.

The VA agrees in principle with removing arbitrary distinctions between degree and noncollege degree training, as recommended by the Commission. While this area will require further study, we did include in our "Interim Report" proposed draft legislative language which would eliminate absence reporting for noncollege degree training, as well as the current bar to education benefit payment for any day of absence from such training in excess of 30 days in a 12-month period. We suggest, however, that legislative implementation of any such proposal again should depend on confirmation by our ongoing study of the effectiveness of monthly self-certification by eligible veterans and on our being provided the concomitant statutory authority to require such certification for all education programs. The latter would enable us to consider relying on monthly self-certification by veterans of continued pursuit of training in lieu of school attendance reporting.

The Commission's position regarding the removal of limitations on changes of program does cause us some concern. A total repeal of

the current requirements, provisions first instituted in response to abuses of the VA educational assistance programs during the administration of the World War II GI Bill, could remove an important safeguard against abuse. Consequently, we strongly recommend that further consideration be given to the Commission's recommendation and other possible alternatives before undertaking any legislative action in this area.

The Commission's focus on the VA's work-study program produced a recommendation to provide for a flexible, progressive payment scale to attract and retain work-study students, especially in high cost areas, and recommendations to expand program eligibility to include persons training under chapter 35 of title 38 and chapter 106 of title 10. While the VA does not support these specific recommendations for the reasons stated in our "Interim Report," we believe the proposal to establish a payment schedule accommodating veterans in high cost areas merits further study. In this regard, we have proposed for consideration an alternative which would authorize VA work-study students to receive payment for services at the Federal hourly minimum wage or the applicable State hourly minimum wage, whichever is higher. This would provide the equity sought by the Commission and would advance the purposes of the work-study program.

We have noted and appreciate the Commission's concern with the difficulties faced by individuals who must meet child-care responsibilities while attending school. Moreover, we certainly agree that unavoidable changes in child-care arrangements can and should constitute mitigating circumstances for course-withdrawal. Accordingly, we have reemphasized this position to our field stations in a recent national "hot line" call and are preparing a VBA manual revision to the same effect. Moreover, as stated in our "Interim Report," we intend to amend our mitigating circumstances regulation in the manner suggested in that report

so as to confirm and clarify our existing policy which reflects the Commission's position.

Mr. Chairman, the VA, pending further study, agrees in concept with the recommendation to include chapter 31 trainees in the school reporting fee count and agrees with the Commission's broad positions regarding counseling and support services to veterans; debt recovery and fraudulent claims; the role of continuing education, training, and associated administrative resources; as well as retention of the 2-year rule, standards of progress, and the "85-15 rule." We also agree with the Commission's ideas on better publications and communications, with the caveat that improvements must be made within our available resources.

Finally, we would point out that several Commission recommendations have been implemented by legislation. For example, certain proposals involving compliance surveys and supervisory visits; mitigating circumstances; remedial, deficiency, and refresher training; and the restoration of chapter 30 pay reductions under certain circumstances have been enacted. This stands as testimony to the import and relevance of the Commission's study.

Mr. Chairman, that concludes my testimony. I will be pleased to answer any questions you or the other members of the Committee may have.

Department of
Veterans Affairs

An Interim Report On Veterans' Education Policy

Veterans Benefits Administration

VETERANS' EDUCATION POLICY

AN INTERIM REPORT

PREPARED BY THE

DEPARTMENT OF VETERANS AFFAIRS

(Pursuant to Section 320 of Public Law 99–576)

SUBMITTED TO THE

HOUSE OF REPRESENTATIVES AND SENATE COMMITTEES ON VETERANS' AFFAIRS

* * * * *

FEBRUARY 28, 1989

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EXECUTIVE SUMMARY

There are 19 issues with various recommendations proposed by the Commission to which this interim report responds. The VA is in general agreement with the main ideas of each. However, we have reservations about some of the specifics on several issues. We believe that some of the Commission's recommendations require further study.

At this time, the VA is studying the feasibility of a consolidated-region approach for the processing of all education claims as suggested by the Commission. Monthly self-certification by veterans is also currently under review, pending the results of the Chapter 30 test. The VA agrees in principle with removing arbitrary distinctions between non-college degree and degree training as well as standardization of the various education programs to the extent possible, and will study these matters further. We have included, however, proposed draft legislative language to eliminate absence reporting for non-college degree training.

We note that legislation has already been enacted implementing several of the Commission's recommendations. These include, for the most part, the proposals regarding compliance surveys and supervisory visits, mitigating circumstances, remedial, deficiency,

and refresher training, and the restoration of pay reductions under certain circumstances.

The VA is in full agreement with the Commission regarding counseling and support services to veterans, debt recovery and fraudulent claims, the role of continuing education, training and associated administrative resources, and retention of the two-year rule, standards of progress, and the "85-15 rule". We are also in agreement with the principles relating to better publications and communications given available resources.

The Commission's position regarding the removal of limitations on changes of program causes us concern, but we support a requirement for counseling after an initial change. We agree to study the feasibility of including Chapter 31 trainees in the count for reporting fee purposes. We also urge further study regarding a scale approach.

The VA does not support the inclusion of Chapter 35 trainees in the work-study program or the Commission's scale approach proposal for work-study benefits.

The VA agrees with the Commission that the current measurement system is unwieldly. However, we do not support the recommendation made by the Commission. We have presented alternative proposals for consideration by the Commission to possibly eliminate the

distinctions made against non-traditional modes of study, to measure programs according to the rate of pursuit without regard to the mode of delivery or to standard class sessions, and to tighten restrictions on contracting out of instruction.

While we are in general agreement with a number of the recommendations of the Commission, we are not in a position at the time of this interim report to initiate specific actions for some of them pending further study. In cooperation with the Commission, these other issues will continue to be reviewed as alternative considerations.

AN INTERIM REPORT

ON

VETERANS' EDUCATION POLICY

PUBLIC LAW 99-576

Section 320(c)

(1) Not later than 6 months after the date on which the report is submitted under subsection (b), the Administrator shall submit an interim report to the Committees. The interim report shall contain -

(A) the Administrator's views on the desirability, feasibility, and cost of implementing each of the Commission's recommendations, and the actions taken or planned with respect to the implementation of such recommendations;

(B)(i) the Administrator's views on any legislation or regulations proposed by the Commission,

(ii) the Administrator's views on the need for any alternative or additional legislation or regulations to implement the Commission's recommendations,

(iii) the Administrator's recommendations for any such alternative or additional legislation,

(iv) the proposed text of any regulations referred to in subclause (i) or (ii) which the Administrator considers necessary and the proposed text of any legislation referred to in such subclause which is recommended by the Administrator, and

(v) a cost estimate for the implementation of any regulations and legislation referred to in such subclause; and

(C) any other proposals that the Administrator considers appropriate in light of the Commission's report.

INTRODUCTION

The Commission To Assess Veterans' Education Policy has taken the initiative in proposing various ideas designed to improve the overall effectiveness and administration of the several veterans' educational assistance programs. To this end, the Department of Veterans Affairs applauds the efforts expended and the resolve of the Commission to seek the best possible means within systemic and institutional constraints of operating and managing huge and diverse benefit delivery programs whose foundations rest on various elements of law, regulations, and complicated procedures.

By its very nature, the administration of the various programs is dispersed among different agencies to include the Department of Veterans Affairs, the State approving agencies, and the Department of Defense. The challenges inherent in such a symbiotic association must be faced within an overriding responsibility to protect the public trust. Our concerns, as well as those reflected in the Commission's report, revolve around control, accountability, stewardship, and debt avoidance.

The prevention of possible abuses of the programs is a primary obligation that cannot be ignored. Even though many controls presently in place may not be either cost-effective or cost-efficient, they are, nevertheless, viable deterrences against

abuses of the programs. It is our firm belief that there are less abuses today because the controls that have been put into place over the years are working. As such, we are not in favor of any wholesale lifting of measures already in place that have helped maintain the integrity of our programs and have helped avoid fraud, waste, and abuse of Federal funds, while at the same time affording the expected protection the consumer of the benefit programs, i.e., the veteran and his or her beneficiaries who place their trust in the reputability of VA administered programs, expect.

This is not to imply that alternatives should not be explored, as long as the public trust and integrity of the programs are not compromised. The Commission has taken bold steps toward both preserving those aspects of program administration that are working as well as putting forth alternative initiatives worthy of serious consideration.

The present time for the Department of Veterans Affairs represents a turning point in the administration of veterans' benefits programs. For the first time in the history of the several veterans' educational assistance programs, there is now a permanent G.I. Bill, the Montgomery G.I. Bill, that, in addition to being the cornerstone of veterans' educational benefit programs, also provides assistance to the many deserving members of this country's Selected Reserve. During the past year, we honored the 20 millionth recipient of G.I. Bill education benefits, and beginning March 15 of this year, we

will become a cabinet-level agency, the Department of Veterans Affairs.

As this transition in administrations moves forward, we welcome the opportunity to reflect upon where we are in the delivery of educational assistance benefits to our Nation's veterans and beneficiaries, as well as where we want to be as the 21st century rapidly approaches. We are committed to improving and putting forth the best administration and delivery of veterans' educational assistance programs possible. It will take a cooperative effort through studies, such as the Commission's study, along with initiatives by the Congress to achieve this goal.

There is no doubt that the G.I. Bill is one of the most important and effective pieces of social legislation Congress has ever enacted. It profoundly affects the fortunes of veterans and much of society, and it influences the higher education system. We should not, however, permit the images of the past to govern our perceptions of current realities and future alternatives.

Following, therefore, are our responses to the recommendations of the Commission To Assess Veterans' Education Policy. Each topic is addressed in the order presented in the Commission's report. A copy of the Educational Assistance Advisory Committee's report is attached as Appendix A. For those recommendations of the Commission

with which we are in agreement, we have included cost estimates for their implementation in Appendix B. For those recommendations which require legislation to implement, we have included draft legislation in Appendix C.

VA RESPONSE

TO

COMMISSION RECOMMENDATIONS

BENEFIT-DELIVERY SYSTEM STRUCTURE

ISSUE: Structure of the benefit-delivery system in the various regional offices.

COMMISSION RECOMMENDATION:

* Adopt in the long run a consolidated-region approach to the processing of all education programs (to include adjudication and processing of all benefits and approval and compliance functions) to be located in a handful of large regions and retaining only an "education ombudsman" capacity (having direct-line responsibility flowing through the education program) in each of the 58 regional offices. Ombudsman pay and grade level should be commensurate with the responsibility to maintain liaison with institutions, students, reserve units, and others, and to undertake problem solving and trouble shooting as required.

VA RESPONSE: The VA agrees in principle with a consolidated-region approach to the processing of all education claims. However, while the consolidated regional processing centers could well have a role in coordinating liaison and compliance functions within their regions, we believe that personnel responsible for conducting compliance surveys and liaison should continue to be based in each

of the 58 regional offices. We also support the concept of an "education ombudsman" in each of the existing 58 regional offices who would report to their respective Veterans' Services Officer (VSO). The education ombudsman would oversee both the liaison and compliance functions for that regional office. The ombudsman's pay and grade level should be commensurate with the responsibility to maintain liaison with institutions, students, reserve units, and others as well as providing a direct communications link and perhaps a direct management line of authority and/or responsibility between the regional processing centers and the regional offices. We agree with the Commission that it is essential that problems of the past and the present be examined so that they may be avoided in the future through the establishment of clear and consistent basic policies of operation.

Organizational history. The organizational history of the VA's Veterans Benefits Administration (VBA) is highlighted by developments reflecting both functional changes based on operating experience and legislation establishing safeguards for the education benefit programs. Historically, the legislation which the VA has been charged with implementing has continually changed. This has resulted in considerable changes in the administration of these programs. Amendments to our various education programs have typically been in response to specific problems identified in the administration of our education benefit programs.

As studies over the years have found, the legislation under which veterans' education benefits are paid is a patchwork accretion of individual acts and amendments enacted over a period of years and subject to changes and additions which require corresponding changes in VA administration and control of benefits payments. VA policies and procedures tend to show the same pattern of patchwork accretions as the governing legislation they implement.

In the context of this changing legislation, many administrative policy decisions often were made on a short-term basis, with a focus on expected veteran population and anticipated workloads. The development of the VA organization over the years continues to be shaped by basic concerns which were embedded in the original decision to process all VA benefit programs in the regional offices. Among these is concern for the administration of diverse programs of great magnitude in an efficient and economic manner. Hundreds of administrative decisions have been made over the years in an attempt to improve the administration of benefits and to eliminate waste without restricting the generosity or flexibility of benefit programs as mandated by law.

Through the years the organizational structure of the VA's benefit-delivery system has followed a "product-line" model of organization as a response to legislative concern to control waste and abuse. This approach recognizes the product or program as fundamental and provides an organizational pattern built around the

operational requirements of the benefit program in anticipation that sufficient flexibility and authority would be provided to enable efficient program operation.

Present organization. Since 1964 "Adjudication Divisions" have been responsible for processing all claims for VA pensions, compensation for disabling conditions, and education. By placing all benefit processing in one activity, a more efficient use of staff was achieved in periods of low usage. This benefit-delivery structure remains in place today, although in 1972 a separate Education and Rehabilitation Service (now the Vocational Rehabilitation and Education Service) was established within the VA Central Office to develop education and vocational rehabilitation policies, plans, and procedures. Program implementation, however, remains the responsibility of multi-purpose field station Adjudication Divisions. Before 1964, the Vocational Rehabilitation and Education Service had both line and staff responsibilities. However, as organized in 1972, it operates solely as a staff element at Central Office with an evolving technical assistance and training function.

The actual delivery of benefits to veterans and other eligible persons involves the processing function at VA regional offices, where applications are received, claims folders are established, adjudication occurs, and payments of education benefits are authorized. It is at this level that Central Office directives are implemented. Currently, there is no separate activity or single

authority in the regional offices concentrating on or responsible for education claims. Adjudication Divisions of regional offices are responsible for all claims processing. The Veterans Services Division handles the education liaison and compliance survey functions. Operationally, regional offices often "cross train" personnel to attain maximum flexibility, resulting in fragmentation of functions. Charged with implementing directives and instructions issued from Central Office, regional office personnel often encounter complications caused by the many changes. Frequently, many of the instructions may create new problems in processing even as they attempt to resolve the existing problems.

Each regional office currently has jurisdiction over a state or part of a state. While there are variations among states, the VA educational programs presently constitute about fifteen to twenty percent of regional office workload, most of which involves adjudicators' determinations and redeterminations of individual benefits. The regional office staff involved in educational matters are not, as at Central Office, in one service, but in two divisions, Veterans Service and Adjudication.

The education liaison and the compliance survey functions were moved from the Adjudication Division to the Veterans Services Division in 1973. Previously, assurance of school compliance with laws and regulations was the responsibility of Adjudication Divisions. There was intense agency as well as Congressional emphasis on benefit

payment delivery, at that time, which was carried out by the Adjudication Division. Consequently, in late 1973, in order to give added emphasis to both liaison and compliance survey activities, the position of compliance survey specialist was established. Along with the liaison function, the compliance survey activity was placed in the Veterans Service Division, and the positions were reclassified as "Education Benefits Specialists".

The Education Liaison Representatives (ELR) have significant responsibilities in dealing effectively with the education community, officials of colleges, universities, educational associations, labor and management organizations, and state officials. Despite this, most of the ELR'S time is spent processing documentation forwarded from State approving agencies, acting as an intermediary between adjudication and schools or veterans, and directing the work of the compliance survey staff.

The changes over the years in benefit-delivery structure represent attempts to maximize efficiency while administering programs of significant magnitude. This history suggests that as legislation and policy have changed so has the organization.

Criteria for future organization. Effective communications with the public are an important consideration of any jurisdictional decision-making. An organizational structure that is intelligible to the public, eliminates jurisdictional confusion, and has simple

paperwork flow is critical. There are obvious practical issues of concern with any consolidation or centralization effort. Cost-effectiveness and operational considerations of any functional consolidation or centralized assignment are all problematical. No such decision can be reached without thorough analysis.

As noted, the VA agrees in principle and with the concept of consolidated-regional processing of education claims as recommended by the Commission. Any decision in this regard will be directed at the accomplishment of two key objectives. The first is to deliver high quality service to our Nation's veterans. The second is to use our resources as efficiently and effectively as possible.

We are currently evaluating the feasibility of consolidated-regional processing of all education claims. Such an approach for education claims processing could possibly satisfy both of our primary objectives. Any such changes, however, require time to plan and complete adjustments to the administrative systems as well as changes in procedures, preparation of new space, and for training personnel. We will continue to study and evaluate changing the benefit-delivery structure to such an organizational mode and, once a decision is reached, will report to the Commission accordingly.

CERTIFICATIONS AND REPORTS; EFFECTIVE DATES

ISSUE: Timely reporting of changes in rate of training by veterans and institutions; effective date of reductions based on changes in the rate of training.

COMMISSION RECOMMENDATIONS:

* Provide authority under all chapters to require monthly self-certification verifying pursuit of training with a bar to benefits without it for both degree and non-degree training for all rates of training (including training on less than a half-time basis), as is now being implemented under chapter 30.

* Following an analysis of the effectiveness of these certifications in obtaining timely and accurate reports of changes in training status, consider modification of the requirement that institutions report changes in status within 30 days of the date of the event to a requirement that these changes be reported within 30 days of the date on which the institution has knowledge of the event.

* Make adjustments in benefits under all chapters that are required because of changes in training time effective on the date of the actual event, rather than at the end of the month in which the change occurs.

VA RESPONSE:

Insofar as the first recommendation of the Commission that the VA be provided the authority under all chapters to require monthly self-certification verifying pursuit of training with a bar to benefits without it for all trainees, the VA endorses being given this authority but with the understanding that this authority may not be used if the current study of the chapter 30 self-certification test shows that it is not effective in preventing abuses of the programs or overpayments.

The Commission's second recommendation regarding the school reporting date requirement is also contingent on an analysis of the effectiveness of the self-certification test currently being evaluated. The VA prefers to take no position on this recommendation until that study has been completed but will keep it under consideration.

The VA concurs with the premise of the Commission's third recommendation regarding effective dates and, in connection with the results of the self-certification study will consider initiating procedures to propose legislative action as well as regulatory change to reflect this policy.

Monthly certification by veterans of their continued pursuit of a

program of education as certified by the school is presently being tested using the chapter 30 educational assistance program. At this time, it is still too early in the test to make a definitive determination on its effectiveness.

The VA is committed to maintaining the integrity of the G.I. Bill and protecting the public trust in its use of Federal funds. To this end, we are also committed to administering the disbursement of those funds to eligible persons in the most efficient and economical manner possible. If it is found that monthly verification of pursuit by the VA-students themselves provides an accurate, timely, and cost-effective verification of the benefits to which they are entitled, the VA will certainly consider expanding self-certification procedures for those in receipt of VA education benefits under all chapters.

Need for certification. The individual's current course load affects the amount of his or her monthly VA educational assistance payment. Therefore, once enrolled in school, an individual making any change in training status, such as adding or dropping courses or terminating enrollment, must report this promptly to the VA. We agree with the Commission that individuals themselves and not the schools should be primarily responsible for reporting these changes. The general reporting process for training status changes starts with the eligible student. The veteran (or enrolled dependent) is the first link in the reporting chain. His or her

prompt action is essential to timely reporting. However, if the veteran neglects to report changes to school officials, the school is still responsible for promptly identifying and reporting these changes to VA. For this and other services, the VA reimburses schools through payment of the annual reporting fee for each enrolled veteran or dependent.

History. The requirements for reporting changes in training status have their genesis in the administration of the World War II G.I. Bill program. Over the life of the Servicemen's Readjustment Act, overpayments to veterans for subsistence allowance totaled almost $200 million. As a means of reducing the volume of overpayments, legislation was enacted to assure that schools will make prompt reports to the VA when enrolled veterans discontinue, interrupt, or fail to attend their courses. Those provisions were incorporated into subsequent educational assistance programs.

In 1975, the General Accounting Office conducted an exhaustive study of the G.I. Bill program and issued a report entitled, "Educational Assistance Overpayments, a Billion Dollar Problem -- A Look at the Causes, Solutions, and Collection Efforts". This report found that the primary cause of the then growing overpayment problem was the untimely reporting to VA of enrolled individuals' training status changes that reduce or terminate their monthly educational assistance payments. In August of 1982 the VA's Office of Inspector General issued a report (Report Number 2AB-B05-107) concluding also

that one of the major causes of overpayments was a lack of control over student and school reporting of changes.

The VA's Office of Program Analysis and Evaluation, in its 1987 report on the cost-effectiveness of the agency's school liability procedures, noted that the extent to which the VA can avoid creation of an overpayment is determined by the timeliness with which the beneficiary and the school report any changes in the level of the beneficiary's pursuit. This is specifically true with respect to reductions in course-load or termination of the educational program altogether. The report recommended, as does the Commission, that the VA require beneficiaries to verify their pursuit to the VA monthly in order to receive payment for that month. This option, it was noted, could reduce the dollar value of overpayments by almost 40 percent. In addition, this procedure is already in place for non-college degree institutions, the system hardware is developed and on-line, and it has the support of the leaders in the higher education community.

The recommendation of the Office of Program Analysis and Evaluation is being tested with chapter 30 enrollees. It should be noted, however, that schools are still required to report enrollment changes within 30 days of the date of the change. Overall, it would appear that the monthly verification approach could balance the VA's need to avoid overpayments and at the same time limit the burden on educational institutions. The Office of Program Analysis and

Evaluation estimated in its report that the administrative cost of preventing overpayments by requiring beneficiaries to verify their enrollments monthly is relatively small compared to the value of overpayments prevented and the costs to the VA of pursuing potential school liabiiity which would be incurred absent such preventive measures.

Effective dates. The Commission's third recommendation regarding effective dates proposes that reductions in benefits under all chapters because of changes in training time be effective on the date of the actual event, rather than at the end of the month in which the change occurs as is currently done. The Commission sees little merit in continuing the "end-of-month" rule given the current benefit-delivery structure of post-payments.

The regulations regarding the payment of educational assistance allowances are based, in part, on the authority in title 38, U.S. Code, section 3013, which states:

> Effective dates relating to awards under chapters 30, 31, 34, and 35 of this title shall, to the extent feasible, correspond to effective dates relating to awards of disability compensation.

Based in part on that reasoning, section 21.7135(f) of title 38, Code of Federal Regulations, currently provides that:

(f) Reduction in the rate of pursuit of the course.

(1) If the veteran or servicemember reduces training by withdrawing from part of a course with mitigating circumstances, but continues training in part of the course, the VA will reduce the veteran's or servicemember's educational assistance at the end of the month or the end of the term in which the withdrawal occurs, whichever is earlier; except that the VA will reduce educational assistance effective the first date of the term in which the reduction occurs, if the reduction occurs on that date.

(2) If the veteran or servicemember reduces training by withdrawing from a part of a course without mitigating circumstances, the VA will reduce the veteran's or servicemember's educational assistance effective the first date of the enrollment in which the reduction occurs.

(3) A veteran or servicemember, who enrolls in several subjects and reduces his or her rate of pursuit by completing one or more of them while continuing training in the others, may receive an interval payment based on the subjects completed if the requirements of 21.7040(b) of this part are met. If those requirements are not met, the VA will reduce the individual's educational assistance effective the date the subject or subjects were completed.

Similar provisions are currently found in 38 C.F.R. 21.4135(s) for the administration of other chapters of education benefit programs.

Historical perspective of "end of month rule". The effective dates relating to awards of educational assistance allowance, to the extent feasible, correspond to effective dates relating to awards of disability compensation in accordance with 38 U.S.C. 3013. Effective dates of reduction and discontinuances of compensation, dependency and indemnity compensation, and pension are fixed in accordance with the facts found, except as otherwise specified in section 3012, title 38, U.S. Code. Within that section, the

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effective dates of reduction or discontinuance generally reflect an "end-of-month" rule. For example, 38 U.S.C. 3012(b)(7) provides that the effective date "by reason of the discontinuance of school attendance of a payee or a dependent of a payee shall be the last day of the month in which such discontinuance occurred". Similar provisions are made for the loss of a dependent or change in the disability or employability of a veteran. Thus, the historical basis for the effective dates of education awards are consistent with those used for compensation and pension awards. For example, reductions for the loss of a dependent under an education award are effective the end of the month in which the loss occurs, consistent with the effective date for such occurrences in the compensation and pension programs.

It is the VA's statutory role to determine the appropriate rate of benefits to be paid based upon the actual pursuit of instruction for which credit-hour enrollment is certified. In other words, benefit payments are to be based in part on the actual period of pursuit. Consistent with the intent of 38 U.S.C. 1780(a)(4), the entire history of the various G.I. bills have been administered so as to authorize benefit payments only for the periods of active pursuit.

VA proposal. Given this premise, it would be appropriate for benefit payments to be effective, not only from the actual beginning date of pursuit in a course of study, but also only through the actual date of discontinuance of that pursuit. This would, for the

most part, be consistent with the effective dates used in the compensation and pension programs as envisioned by 38 U.S.C. 3013, and subject to the expressed distinctions in the intent of each of these programs vis-a-vis the educational assistance programs. As such, it would not be appropriate to amend the regulations to provide for reductions in benefit payments due to loss of dependents, but it would be appropriate in view of the intent of the actual pursuit doctrine of the education benefit programs to reduce educational assistance allowance payments as of the actual date of the event changing the status of that pursuit. In other words, payments should not be continued after the student is no longer actively pursuing a course of study as certified.

However, it would be premature, administratively, for the VA to propose a change to the current procedure until the results of the self-certification test are analyzed. If, as noted earlier, self-certification proves to be a reliable means of verifying continued entitlement to education benefits, that procedure will be expanded to all education programs. It would be more administratively prudent and feasible to implement a change to effectuate an end to the "end-of-month" rule at that time.

Therefore, if the self-certification procedures are expanded to include all education programs, the VA will propose a legislative amendment to specify that payments are for periods of actual pursuit, and that reductions in training time are effective the date

of withdrawal, if there are mitigating circumstances, otherwise reduction in benefits to the beginning of the term is appropriate.

It is anticipated that, once legislation to this effect has been enacted, that the proposal to change 38 C.F.R. 21.7135(f) may be drafted to read, in part, along the lines of the following:

> 38 C.F.R. 21.7135(f) Reduction in rate of pursuit of the course
>
> (1) If the veteran or servicemember reduces training by withdrawing from part of a course with mitigating circumstances, but continues training in part of the course, the VA will reduce the veteran's or servicemember's educational assistance on the date the individual reduces training, except that the VA will reduce educational assistance effective the first date of the term in which the reduction occurs, if the reduction occurs on that date.
>
> (2) If the veteran or servicemember reduces training by withdrawing from a part of a course without mitigating circumstances, the VA will reduce the veteran's or servicemember's educational assistance effective the first date of the enrollment in which the reduction occurs.

As noted in the Commission's report, effectuating changes in training time as of the date of the actual event will result in "saved" entitlement for veterans and other eligible persons and will make the administration of the education benefit programs more consistent with their intended purpose. To this end, the VA concurs with the Commission.

CHANGES OF PROGRAM LIMITATIONS

ISSUE: Limitation on number of changes of program permitted to be made by veterans and other eligible persons.

COMMISSION RECOMMENDATIONS:

* Abolish the limit on the number of changes of program (retaining restrictions for failure to progress).

* Institute a counseling requirement for changes of program beyond an initial change.

VA RESPONSE: The VA does not concur with the Commission's recommendation to abolish the limit on the number of changes of program an otherwise eligible person may make.

The VA concurs in the Commission's second recommendation that counseling be provided for changes of program beyond an initial change.

Need for change of program limitations. The Commission is recommending the abolition of one of the principal safeguards against abuse of the VA's education programs that has been in effect since they were first brought to light during the administration of

the initial G.I. Bill after World War II. At that time, the G.I. Bill was intended for the purpose of rewarding veterans, easing an anticipated post-war unemployment crisis, and rectifying a depletion of educated citizens in the nation. The aim was to encourage broad participation by veterans, and little attention was given to the need for safeguards.

It was later found that many veterans pursued avocational and recreational courses with no apparent vocational or educational objective, and there was widespread changing of courses by veterans. Over the years, the VA has made significant progress in correcting specific operational inefficiencies noted during the Korean and Vietnam Era programs. This progress parallels the development of statutory safeguards against abuse of the programs.

To prevent the kinds of abuses of the original World War II G.I. Bill, veterans and other eligible persons using benefits today must identify a specific educational or vocational objective, may not enroll in avocational or recreational courses, and are entitled only to one change of program before prior VA authorization is required. In general, therefore, the administration of education benefits continues to improve in terms of safeguarding against abuses.

It is for this reason that the VA does not concur with the Commission's recommendation to abolish the limit on the number of changes of program an otherwise eligible person may make. This is a

control that is in place to stop abuse, and we believe that the Commission may be understating the problem of veterans who change programs merely so they can take the courses they want. Without program limitation safeguards, the door will be open for more abuse of our education benefit programs and we may see a return to the days of the professional veteran-student. There is sufficient leeway in the present law to allow the serious student to change programs as needed or desired, whenever circumstances beyond his or her control may dictate.

Present safeguards. The provisions of title 38, U.S. Code, regarding change of program are sufficient to safeguard the education programs from use and misuse by students who are not serious about pursuing their education while at the same time providing ample flexibility for situations necessitating a change of program suitable to a student's aptitudes, interests, and abilities. We do not believe that the statute is too restrictive. To the contrary, as currently written, it is far less restrictive than the provisions implemented during the Korean Conflict G.I. Bill period. This is evident by a reading of the law itself:

1791. Change of Program

> (a) Except as provided in subsections (b) and (c) of this section, each eligible veteran and eligible person may make not more than one change of program of education, but an eligible veteran or eligible person whose program has been interrupted or discontinued due to the veteran's or person's own misconduct, the veteran's or person's own neglect, or the veteran's or person's own lack of application shall not be entitled to any such change.

(b) The Administrator may approve one additional change (or an initial change in the case of a veteran or person not eligible to make a change under subsection (a) in program if the Administrator finds that -

(1) the program of education which the eligible veteran or eligible person proposes to pursue is suitable to the veteran's or person's aptitudes, interests, and abilities; and
(2) in any instance where the eligible veteran or eligible person has interrupted, or failed to progress in, the veteran's or person's program due to the veteran's or person's own misconduct, the veteran's or person's own neglect, or the veteran's or person's own lack of application, there exists a reasonable likelihood with respect to the program which the eligible veteran or eligible person proposes to pursue that there will not be a recurrence of such an interruption or failure to progress.

(c) The Administrator may also approve additional changes in program if the Administrator finds such changes are necessitated by circumstances beyond the control of the eligible veteran or eligible person.

(d) As used in this section the term "change of program of education" shall not be deemed to include a change from the pursuit of one program to pursuit of another where the first program is prerequisite to, or generally required for, entrance into pursuit of the second.

For implementing this change of program provision of the law, section 21.4234 of title 38, Code of Federal Regulations, covers the procedures VA follows. (reproduced on following pages) It may very well be that the implementing provisions are administratively cumbersome. In this regard, the VA would urge the Commission to reconsider its recommendation regarding eliminating the limitation on changes of program, and look instead at the manner in which that provision of law is procedurally interpreted and implemented.

§21.4234. **Change of program.** (Oct. 1, 1980)

(a) *Definition.* A change of program consists of a change in the educational, professional or vocational objective for which the veteran or eligible person entered training and a like change in the type of courses required to attain a new objective. (Mar. 3, 1966)

(b) *Application.* A veteran or eligible person may request a change of program by any form of communication. However, if the veteran or eligible person does not furnish sufficient information to allow the VA to process the request, the VA will furnish the prescribed form for a change of program to him or her for completion. (38 U.S.C. 1671) (Oct. 1, 1980)

(c) *Optional change of program.* A veteran eligible to receive educational assistance under chapter 34 or a spouse or surviving spouse eligible to receive educational assistance under chapter 35 may make one optional change of program if his or her previous course was not interrupted due to his or her own misconduct, neglect or lack of application. (38 U.S.C. 1791(b)) (Oct. 1, 1980)

(d) *Other changes of program.* (1) The following changes of program may not be made solely at the option of the veteran or eligible person. The VA must approve them before paying educational assistance allowance:

(i) A second or subsequent change of program made by a veteran or eligible spouse or surviving spouse,

(ii) An initial change of program made by a veteran or eligible spouse or surviving spouse if the first program was interrupted or discontinued due to his or her own misconduct, neglect or lack of application, or

(iii) Any change of program made by a child.

(2) The VA will approve a change of program listed in paragraph (d)(1) of this section if–

(i) The program of education which the veteran or eligible person proposes to pursue is suitable to his or her aptitudes, interests and abilities,

(ii) In any instance where the veteran or eligible person has interrupted, or failed to progress in his or her program due to his or her own misconduct, neglect or lack of application, there is a reasonable likelihood with respect to the program the veteran or eligible person proposes to pursue that there will not be a recurrence of such an interruption or failure to progress, and

(iii) In the case of an eligible child the new program meets the criteria applicable to final approval of an original application. See §§21.4230 and 21.4231.

(3) The VA may approve a third or subsequent change of program if applicable conditions of paragraph (d)(2) of this section are met and the additional change or changes are necessitated by circumstances beyond the control of the veteran or eligible person. Circumstances beyond the control of the veteran or eligible person include, but are not limited to–

(i) The course being discontinued by the school when no other similar course leading to the same objective is available within normal commuting distance.

(ii) Unexpected financial difficulties preventing completion of the last program because of the overall cost of the program needed to reach the objective, or

(iii) The veteran or eligible person being required to relocate because of health reasons in an area where training for the last objective is not available within normal commuting distance. (38 U.S.C. 1791) (Oct. 1, 1980)

(e) *Adjustments–transfers.* A change in courses or places of training will not be considered a change of objective in the following instances: (Dec. 1, 1968)

(1) The pursuit of the first program is a prerequisite for entrance into and pursuit of a second program.

(2) A transfer from one school to another when the program at the second school leads to the same educational, professional or vocational objective, and does not involve a material loss of credit, or increase training time.

(3) Revision of a program which does not involve a change of objective or material loss of credit nor loss of time originally planned for completion of the veteran's or eligible person's program. For example, an eligible person enrolled for a bachelor of science degree may show a professional objective such as chemist, teacher or engineer. His or her objective for purposes of this paragraph shall be considered to be "bachelor degree" and any change of courses will be considered only an adjustment in the program, not a change, so long as the subjects he or she pursues lead to the bachelor degree and there is no extension of time in the attaining of that degree. (Mar. 3, 1966)

Suggestions for Commission action. In our education procedures operating manual, M22-2, Part III contains an entire chapter (Chapter 4) devoted solely to implementing instructions regarding changes of pro ram. As the Commission has cited in its report, some of the procedures are admittedly complex. We would propose that rather than doing away with the limits on changes of program, that the Commission study means of administering the law more simply and equitably. The Commission may want to consider proposing alternative procedures and/or guidelines for what constitutes a change of program and what would not, especially in the area of "material loss of credit". Much of this could be accomplished simply by either a change to the regulations or a revision of the VA's education operating manual. Suggestions from the Commission members would be appreciated, and the VA would be pleased to provide whatever assistance the Commission might need.

Counseling. As noted, the VA agrees with the Commission's recommendation that counseling be provided for some changes of program beyond an initial change. While retaining the limits on changes of program, a counseling requirement would greatly assist veterans and eligible persons in the most effective use of their benefits. As the Commission notes, counseling would give the student an opportunity to review his or her goals and objectives as well as interests, abilities, and aptitudes that may enhance educational experience. The corollary recommendation in another section of the Commission's report stresses that upfront investments

in counseling and educational guidance would likely result in more effective use of benefits and could serve to limit substantially the number of changes of program.

The VA concurs with this conclusion. Information and counseling services are of vital importance to the effectiveness of benefits and services rendered to veterans. The two are complementary: One lets the veteran know what benefits and opportunities are available; the other attempts to help the veteran choose a direction and to resolve any personal and psychological obstacles.

Required counseling beyond the first change of program should be VA-approved counseling. As the Administrator's Educational Assistance Advisory Committee has noted in reviewing the Commission's report, institutions should be able to provide the counseling as long as the VA approves. Frequently, changes of program will result simply because of a lack of adequate program counseling. With good guidance and counseling, there will be less change and future problems regarding the veterans' responsibilities. This will be especially evident in conjunction with the data which indicates that in upcoming years veteran-students will be more serious about obtaining their degree or vocational objective than were some of those in previous years. In implementing this recommendation, specific requirements, responsibilities, and authority must be clarified and provided to those providing the counseling.

Section 1791, title 38, U.S. Code, as currently written gives the VA authority to make determinations regarding changes of program when the VA finds that the requested program is suitable to the veteran's or eligible person's aptitudes, interests, and abilities. In order to institute a counseling requirement to make that determination, legislative action will not be necessary. We are currently looking into the best way to handle a counseling requirement after the initial change of program, and regulatory changes will be drafted at a later date for that purpose. In the interim, if the Commission has any suggestions, we would welcome the opportunity to consider them.

COMPLIANCE SURVEYS AND SUPERVISORY VISITS

ISSUE: On-site visits to educational institutions and training establishments (compliance surveys and supervisory visits).

COMMISSION RECOMMENDATIONS:

* Monitor by exception by permitting the VA to target schools for compliance survey audits based on factors outside the norm.

* Require resources of the State approving agencies to be concentrated on schools where assistance is needed or problems exist in lieu of the requirement that annual visits be made to all active institutions.

* Re-model compliance surveys and SAA supervisory visits to create problem-resolution and training opportunities, recognizing that such an approach would improve administration of benefits and recognize strengths as well as weaknesses during the feed-back process.

* Give special attention and assistance to institutions having a turnover in staff that are responsible for administering G.I. Bill benefits.

VA RESPONSE: The VA agrees in part with the recommendations of the Commission regarding compliance surveys and supervisory visits.

The studies completed by the Commission found that compliance surveys are viewed in both a negative and a positive manner. On the one hand, many educational institutions are probably correct in viewing the compliance survey as a somewhat onerous and antagonistic exercise. In the past, such surveys were unannounced and frequently conducted during inopportune times for schools. However, as the Commission found, compliance surveys also serve a useful purpose in providing the opportunity for interaction between the institution and the VA. As many educational institutions have indicated, the surveys can be beneficial for reviewing rules and regulations, for suggesting improvements, and for identifying areas that could potentially develop into major problems before they get out of hand.

Recent changes in scheduling compliance surveys, which came about as a result of Public Law 100-323, addressed the issue of targeting schools with poor compliance history. However, the law also retained provisions that all schools be surveyed each four years. While we agree with the principle behind conducting compliance surveys by exception as recommended by the Commission, we also support maintaining some sort of regularly scheduled compliance survey requirement as is contained in the current law.

The requirement for annual supervisory visits has been eliminated.

We support the Commission's recommendation to require resources of the State approving agencies to be concentrated on schools where assistance is needed or problems exist. The current contract with SAA's provides that the VA regional offices and the SAA's must share their visit schedules. This will enhance coordination and direct energies and resources in a coordinated effort toward those areas in greatest need of attention and/or assistance.

We take note that it has always been difficult to balance the "adversarial" nature of required compliance survey activities and SAA supervisory visits and the "helpful" nature of liaison visits and training sessions. School officials may resent being "tested" by compliance surveys and supervisory visits. However, by focusing compliance surveys toward the more potentially problematical areas, other available resources may be directed more toward increasing the number of liaison visits and training sessions for school officials.

This approach would help create a more conducive working relationship among the VA, the schools, and the State approving agencies. In this regard, the VA supports the conclusions of the Commission, and actions are being taken to ensure that available resources are directed to assist those schools in most need. Many regional offices already have in place procedures for giving special attention and assistance to institutions which experience turnover in staff that are responsible for administering G.I.Bill benefits. Every effort will continue to be made towards providing the best

possible assistance to the educational institutions and facilities that provide services to this country's veterans, reservists, service personnel, and dependents.

COUNSELING AND SUPPORT SERVICES TO VETERANS

ISSUE: The provision of counseling and support services to veterans in a manner that will best ensure the efficient operation and integrity of the G.I. Bill.

COMMISSION RECOMMENDATION:

* Counseling and associated support services be provided on an "upfront" basis to individuals seeking to use G.I. Bill benefits, as well as on a continuing basis as required or requested.

VA RESPONSE: The VA supports the Commission's recommendation regarding counseling and support services to veterans.

As noted earlier in this report, the VA considers providing information and counseling to the veteran to be of vital importance to the effectiveness of benefits and services rendered to veterans. The need to provide direct personal assistance to veterans with regard to veterans' benefits was recognized early in the history of this agency. Our present Veterans Assistance Service provides a uniform avenue through which information concerning programs, policies, and procedures for each one of the substantive programs which can be conveyed to veterans.

History. For over two decades the VA has made an aggressive effort to seek out and inform veterans of their rights and benefits. Special efforts are designed to reach out to the educationally disadvantaged. The Outreach program has come to include a series of letters mailed to recently separated veterans, "Vet Centers", and toll-free telephone lines.

To illustrate, during the Vietnam Era, the VA maintained an overseas orientation program. "Operation 'Early Word'" began in January 1967 and ended in December 1972. VA representatives were stationed in Vietnam to brief returning servicemen and women through group orientation and individual assistance. Evolving from this was the Multi-agency Team Service which had teams of representatives from the Department of Labor, the Office of Education, and the VA stationed at military bases in Europe, Thailand, Okinawa, Japan, Vietnam, and Korea. The purpose was to inform servicepersons of the opportunities and benefits available to them. This team concept was operational from 1970 through the end of Fiscal Year 1973.

The Veterans Assistance Service (VAS) continues to work closely with the Department of Defense to ensure that service personnel are aware of their VA benefits prior to separation from active duty. This information dissemination program is along the lines of the support services suggestion in the Commission's recommendation.

The VAS places contact representatives in VA medical centers with the major focus being to encourage severely disabled servicepersons to apply for vocational rehabilitation programs while still on active duty. This allows prompt action upon separation from active duty.

Since 1968 the VA has been sending out computerized letters to every eligible serviceman shortly after his or her separation. As the person is separated, a copy of the DD Form 214, separation document, is furnished to the VA and screened to separate them into two groups: (1) those having less than a high school education or equivalent and (2) those having a high school or above educational level. Utilizing a computerized system, a letter is then mailed to each separatee inviting him or her to make full use of the benefit programs available, particularly the educational programs. This mailing program also includes a special effort to reach the educationally disadvantaged.

Previous studies have found that veterans receiving informational counseling were twice as likely to continue their training or education. Even as early as 1951 a GAO study indicated that if counseling services were provided to all veterans prior to entering training, waste of money would be prevented. Thus, this is still an issue that needs full consideration, and the VA supports the Commission's recommendation in this regard.

As noted, much is already being done in this area. The Commission did not envision a traditional one-on-one face-to-face counseling session but informational type counseling to be provided at the time of application. There are, however, potential problems that could develop in this regard. Experience has shown that few veterans apply well in advance of the start of training for educational benefits. Generally, the application paperwork is submitted along with the enrollment certification for the first term. At that point, a program has already been selected and courses enrolled in and paid for, which is a little late for "upfront" counseling about the program of study. However, information about veterans' rights and responsibilities as well as procedures and policies would, nevertheless, be helpful even at that time.

The "check-off" block for counseling is being added to the original application for education benefits form again. While we support its inclusion, past experience has shown that frequently individuals do not understand the full range of VA testing and counseling services which will be offered when they check this block. In other words, the student generally may not understand that he or she will be receiving more than just basic educational counseling. Our Veterans' Benefits Counselors are available to provide basic benefits counseling to include the veteran's rights and responsibilities under all benefit programs. Of course, there can always be improvement in the type and nature of our outreach efforts and general dissemination of VA benefits information.

DEBT RECOVERY AND FRAUDULENT CLAIMS

ISSUE: Recovery of overpayments of erroneous benefits and disposition of fraudulent claims.

COMMISSION RECOMMENDATIONS:

* The VA continue determined initiatives to facilitate aggressive and timely efforts to recover overpayments of educational assistance benefits.

* Adequate resources and personnel be made available to the VA for this purpose.

* Other Federal agencies (such as the Department of Justice, the Department of the Treasury, the Department of Education, and the Department of Defense) be required to cooperate in these efforts.

VA RESPONSE: The VA endorses these recommendations of the Commission.

The problems of erroneous benefits and overpayments, as well as the intentional acceptance of benefits by veterans and other persons to which they are not entitled is neither new nor insignificant. Under

the law, the VA has extensive authority to facilitate the collection of debts, and endorses these recommendations of the Commission.

In 1985 the VA's Veterans Benefits Administration took action to create a separate Debt Management Staff in recognition of the mounting indebtedness of VA beneficiaries. That staff fully agrees with the Commission's assessment that erroneous education benefits and overpayments are a major issue.

Two-pronged effort. Successful debt management is considered a necessary priority in ensuring the continued integrity of the G.I. Bill programs. We believe that the problem must be dealt with aggressively with emphasis in both the areas of debt recovery and debt prevention. We will continue to direct our efforts to enlist the assistance and cooperation of other Federal agencies in developing new debt management initiatives. For example, the Department of Veterans Affairs is presently working with the Department of the Treasury to secure an automated telephone dialing system which should greatly increase our efficiency in debt collection. Another example of inter-agency cooperation is the Federal salary offset program.

The VA's own collection efforts are already largely consolidated in the Centralized Accounts Receivable System (CARS) operated out of the St. Paul Regional Office and Insurance Center. Any consolidated-region proposal for the processing of education claims,

as suggested by the Commission in another section of its report, would not adversely impact on the VA's present debt collection efforts. Although the impact of such an approach would be minor regarding debt management, it should be noted that such consolidation may actually aid in the collection efforts.

DISTINCTIONS BETWEEN NON-COLLEGE DEGREE AND DEGREE TRAINING

ISSUE: The need for distinctions between certificate-granting courses and degree-granting courses.

COMMISSION RECOMMENDATION:

* Remove arbitrary distinctions in the treatment of degree and NCD programs.

VA RESPONSE: We agree with the Commission's recommendation that certain distinctions in the treatment of degree and non-college degree programs should be eliminated. Among those distinctions we view as being outdated are the provisions pertaining to absence reporting and the regulations affected by those provisions.

We note that one of the statements of principles and assumptions made by the Commission is that the pursuit of an educational, vocational, or professional goal or objective is a keystone of the philosophy of the G.I. Bill, and that this purpose of pursuit remains valid and essential to the success of the Montgomery G.I. Bill. The Commission also points out that there are a number of factors that make the Montgomery G.I. Bill unique. Among these, is that the educational environment in which these G.I. Bill benefits will be used is vastly different than it was in the past.

The Commission notes that the vast majority of students enrolling in schools in the 1990's will not be recipients of VA educational assistance benefits, and that the total value and proportion of the G.I. Bill that could be misused will be substantially less than it was in the past. Studies show that students enrolled in higher education will increasingly be older, more mature students who are returning to school to enhance their knowledge and level of achievement. The Montgomery G.I. Bill student will be more apt to use his or her benefits at a higher rate than under prior G.I. Bills, with more usage expected for postgraduate study.

The Commission also points out that Montgomery G.I. Bill students will bring a high degree of personal discipline and responsibility to their educational pursuits, resembling more the adult learner returning to an educational environment than those entering college immediately following high school. Family and job responsibilities will also distinguish the Montgomery G.I. Bill student.

With this background, the Commission stresses that "by virtue of participating in a program of veterans' educational assistance the veteran should never be penalized or placed in a position less advantageous than participants in other programs of educational assistance."

With these basic premises and assumptions in mind, we also take note of the administrative history behind many of the distinctions made

between degree and non-degree programs of education. Generally, it may be said that most distinctions arose because of abuses of the programs. As noted in the 1973 study conducted by the Educational Testing Service of Princeton, New Jersey, "...several of the policies designed to respond to this specific educational situation are still in effect. As a result, current policies frequently constitute differential treatment of students pursuing college degrees and students involved in other forms of postsecondary educational programs."

Not all distinctions between non-college degree and college degree training embodied in current statutory requirements need to be continued to maintain program integrity. Moreover, retaining these distinctions has the net effect of penalizing or placing veterans in a position less advantageous than participants in other programs of education. These distinctions may result in students deciding not to pursue non-college degree programs, or schools may not request approval for one-year certificate programs, but only for two-year associate degree programs. We have noticed instances where a veteran who drops out of the degree program after one year may petition the school for and receive the certificate. The veteran loses nothing and the colleges avoid the additional approval, recordkeeping, and reporting requirements for the certificate programs. It could be argued that many of the distinctions made between degree and non-college degree programs have led to implicit and inventive measures that circumvent their intended purpose.

While we support in principle the Commission's recommendation that certain distinctions between degree and non-college degree programs should be removed in light of the Montgomery G.I. Bill, we must also take note that there are some distinctions that should not be eliminated. The same rules could certainly be applied, for example, to enrollment periods, ending dates, reports required, and frequency of reporting. Absence reporting might be eliminated, if the schools have a standards of progress requirement that is enforced. Measurement of courses, however, presents a different situation, since non-college degree institutions do not have a standard to determine training time such as the credit hour used by colleges and universities.

VA proposal. The VA proposes the elimination of absence reporting for students pursuing programs of education not leading to a standard college degree. If the prohibition against the payment of educational assistance allowance in title 38, U.S. Code, section 1780(a)(2), for any day of absence in excess of thirty days in a twelve-month period is removed, consideration can be given to changing the current regulatory requirements regarding effective dates, enrollment periods, and reporting requirements. However, since these requirements are predicated on the prohibition in 1780(a)(2), 38 U.S.C., they should not be amended until such time as the statute is changed. Also, before reporting requirements are changed, further study is needed regarding the self-certification procedures currently being tested for Chapter 30. Once that study

is completed, more definitive action may be taken to amend the regulations along the lines envisioned by the Commission.

VA RECOMMENDATION:

We suggest the following legislative changes for Congressional consideration:

Eliminate the prohibition against the payment of educational assistance allowance to eligible veterans or eligible persons enrolled in a course which does not lead to a standard college degree for any day of absence in excess of thirty days in a twelve-month period contained in 38 U.S.C. 1780(a)(2).

Eliminate the references to absence counting in subparagraphs (A), (B) and (C) of the Notwithstanding clause in 38 U.S.C. 1780(a).

Amend 38 U.S.C. 1674 and 38 U.S.C. 1724 to include that educational assistance allowance shall be discontinued in the case of a veteran or eligible person who fails to meet the regularly prescribed standards and practices of the educational institution with regard to attendance, progress, and conduct.

We concur with the Commission's recommendation to eliminate the requirement to report absences in non-college degree training.

We agree that the Montgomery G.I. Bill should not be arbitrarily placed in a position of affording different treatment to veterans choosing vocational or technical programs of education from those pursuing degree-granting programs. Similarly, we concur with the Commission in that the VA should not be placed in a position, by virtue of the laws and regulations it is tasked to administer, of possibly discouraging veterans from choosing this type of training or of possibly discouraging institutions from making it available to those training under the G.I. Bill, as may have been the case in the past. However, any action to repeal 38 U.S.C. 1780(a)(2) should be contingent on educational institutions offering such courses having and enforcing standards of progress rules.

Congressional consideration might also be given to amending 38 U.S.C. 1674 and 38 U.S.C. 1724 regarding discontinuance for unsatisfactory conduct or progress to include, insofar as those persons pursuing programs of education not leading to a standard college degree are concerned, more specific language regarding the keeping of attendance records similar to that used in 38 U.S.C. 1776(c)(7) as an approval criterion. Without strict enforcement of attendance policies and standards of progress, these programs will become vulnerable to possible abuses, and the integrity of the G.I. Bill may be compromised.

As noted, however, measurement distinctions between degree and non-college degree training may still be justifiable. We believe

that further study is needed in this area before any type of recommendation may be made. We agree with the Commission, however, that attempts to address the problems have not resolved them. The Commission indicated Public Law 99-576 as one example where attempts were made to deal with situations where an institution offers both degree and non-college degree programs of education. The "mixed - measurement" approach designed to ameliorate situations where veterans sitting in the same classroom were treated differently, particularly in terms of attendance and seat - time requirements, has proven unwieldly and unnecessarily complicated. We agree that the basic problems inherent in maintaining distinctions between the two types of training or in creating artificial measurement criteria bearing little or no relevance to the academic practices of the institution remain.

We have reservations, however, about making any sweeping changes in the clock hour measurements provisions currently in use without further study. Any help and suggestions the Commission can provide in this regard would be appreciated. We agree that the present system is cumbersome and difficult to administer. However, we would not advocate major changes in the absence of industry standards or strong accreditation procedures that will protect the veteran-student.

MEASUREMENT

ISSUE: The measurement of programs of education for G.I. Bill payment purposes.

COMMISSION RECOMMENDATIONS:

* Determine rate of benefits based on progress toward an educational, vocational, or professional goal through an approved program of study, shifting concern from the mode of delivery to concern about progress in attaining the objective.

* Eliminate Standard Class Sessions as a measurement criterion and measure all programs that include classroom instruction by industry standard "units" (credit or clock hours depending on the institution's standard).

* Permit independent and other non-traditional modes of study (defined as those not requiring regularly scheduled contact with an instructor in a classroom setting) without discrimination but limit such types of study within the student's overall program to a maximum of ten percent of the total length of the program.

* Offer an alternative payment schedule based on 75 percent of the otherwise applicable rate of payment for certain programs that do not meet the criteria of the "full-time pursuit"

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concept, such as those offered entirely through independent study, thus recognizing to a greater degree the effort required and the rate of pursuit towards a goal.

* Rely on State approving agencies to determine what constitutes an approved program leading to an educational, vocational, or professional goal or objective.

VA RESPONSE: We oppose the Commission's first recommendation for determining the level of benefit payments based on progress toward an educational, vocational, or professional goal.

We think the Commission's proposal to eliminate standard class sessions as a measurement criterion may have merit and should be studied further.

We also think the Commission's third recommendation regarding nontraditional modes of study should be examined further.

We oppose the alternative payment schedule suggested by the Commission.

We agree with the recommendation to rely on State approving agencies for determinations regarding programs of education.

We realize the thrust of the Commission's recommendations regarding measurement call into question our present measurement criteria. However we have reservations about them and propose an alternative.

We propose that the present system of determining rate of payment based on the rate of pursuit towards a predetermined educational, vocational, or professional goal be retained, and that the VA study further the possibility of establishing a rate of payment that would not distinguish between different modes of delivery. This means that the VA would examine whether payments should be based on the number of credit hours (or clock hours) being pursued, regardless of whether the instruction is being provided through a traditional classroom setting or through other nontraditional means, including independent study. The results of this study will be included in the agency's final report to the Committees, which is due prior to August 29, 1990.

History. The Commission has expressed in its background on this very complicated issue the basic premise behind all measurement issues, that education is delivered in a classroom setting and that quantity and quality are determined by how long and how often an individual sits in a seat in a classroom. This, however, is not entirely correct. One of the most controversial issues relating to the administration of VA's educational assistance programs relates to the class sessions scheduled in connection with the measurement of courses for the purpose of G.I. Bill benefit payments.

The VA has historically viewed measurement of resident training in the context of pursuit of a program at a site of a college or university requiring regularly scheduled weekly classroom instruction at the rate of one standard class session per week throughout the quarter or semester for each quarter or semester hour of credit. In order for a course to be considered full-time for payment of VA educational assistance, it had to have offered on campus, a minimum of twelve hours of traditional classroom instruction each week of the semester.

Historically, this was consistent with the meaning of the terms "quarter or semester hour basis". American colleges and universities generally considered a semester credit hour as one scheduled hour (or 50-minute session) of classroom lecture per week for the length of the semester and traditionally assumed that two hours of outside preparation were necessary for each hour of class. Consequently, a student enrolled for twelve semester hours was expected to devote 36 hours per week (12 class sessions plus 24 hours of class preparation) toward his or her educational pursuit in order to be a full-time student. It is this traditional standard which has historically been the basis for q antitative measurement of collegiate course pursuit throughout the educational community, and is still used by many educational institutions today.

In enacting the current measurement provisions, the Congress found that such expenditure of time in degree pursuit was comparable to that required for full-time pursuit of other types of training, and

would effectively preclude outside full-time employment. Therefore, this pursuit merited the additional allowance afforded by the full-time institutional benefit rate.

As the minority opinion of the Educational Assistance Advisory Committee states, and with which we agree, it should be emphasized that neither VA policy nor the regulations require schools to change their policies regarding the granting of credit to students. Rather, the law establishes the policy under which veterans' benefits will be paid as well as the amount which is payable.

Determining rate of benefits. The Commission is proposing that the determination of the rate of benefit payments be based on progress toward an educational, vocational, or professional goal. The VA opposes this. Benefit payments should continue to be based on the rate of pursuit and not on the rate of progress.

The Educational Assistance Advisory Committee, whose members are representative of various educational associations and interests, expressed its concern about changing the basic philosophy behind the measurement of courses for benefit payment purposes from one of rate of pursuit to one of rate of progress. We share that concern, and as the Committee noted, most educational associations support paying benefits based on the number of credit hours taken which apply to the stated educational objective.

Other comments we have received indicate concern that if the Commission's recommendations were to be accepted and the focus for determinations of benefit payments were shifted from rate of pursuit to rate of progress, it would be even more difficult to administer than the present system. The VA, by accepting this recommendation, could be replacing a complex set of rules with individual measurement criteria for tens of thousands of courses.

In many cases, this recommendation could have the net effect of increasing the number of credits per term required to receive full-time benefits. For example, a degree program of 120 credits requires completion of 8 terms of 15 credits per term. Schools would have to determine training time for each student in each program. The result would be to shift the burden of determining training time from the VA to the school.

The change would not be as drastic for non-college degree programs. The school's full-time requirement would replace the VA standards. Again, this could have the result of increasing the number of clock hours a student would have to attend to receive full-time benefits. The exception would be "competency-based" or variable length programs. Schools would have a very difficult task in determining training time when they did not know how long it would take the student to complete a program.

In view of the foregoing, we do not support this concept as

recommended by the Commission. The present system of basing determinations of measurement for payment purposes on the rate of pursuit should be retained.

Elimination of standard class session requirement. Regarding the elimination of standard class sessions, some comments the VA has received indicated that there is frequently little correlation between standard class sessions and credit hours awarded during nonstandard terms. Support for the standard class session requirement results from the abuses which occurred during the early administration of our educational assistance programs, which did not have a standard class session requirement.

The initial absence of a class session requirement in the law derived from the assumption that most accredited colleges and universities assigned credit on the basis of the number of class sessions per week. This assumption, however, became invalid due to changes in educational practices. For example, a few schools, in their zeal to recruit veterans, structured special programs primarily for veterans which broke from traditional standards of course pursuit. These schools promised full-time benefits based on twelve semester or quarter hours of credit, which credits, however, were diluted by scheduling far fewer than twelve class sessions of instruction per week. It was found that some schools had made it possible for veterans to receive full-time benefits for considerably fewer hours of attendance than was contemplated by the Congress when

it established the statutory benefit rates.

Although the present law's class session requirement is designed to prevent abuse, schools have traditionally argued that the VA has no authority to dictate what constitutes a standard class session or to what extent institutions may offer classes on other than a weekly basis. The education community contends that the schools, not the VA, should have the authority to define what constitutes a full-time program of education, and that the law should require the VA to pay full-time educational benefits when the school, not the VA, determines that the veteran is pursuing a full-time course.

As the Commission and many of the comments we have received indicated, the education community has changed drastically from the days when abuses occurred. If SAA's are given complete authority to disapprove unit courses which provide little educational gain in relation to the number of credit hours granted, then commenters think this recommendation may be feasible.

The National Association of State Approving Agencies (NASAA) has indicated to us that they endorse the idea of eliminating standard class sessions as a measurement criterion and adds that the institution's standard must be commensurate with that established by state law, regulation, or practice.

The VA is aware of increasing nontraditional approaches to education

and the trend to structure courses in innovative ways, in order to accommodate and serve a broad and diverse universe of student needs for quality education. Unfortunately, there is no general consensus on this multi-faceted issue.

The comments and positions of various organizations and education associations, as well as the Educational Assistance Advisory Committee indicate that retention of class session requirements may not be necessary. Although we do not think that sufficient data exist to enable the VA to agree with the Commission's recommendation to eliminate the standard class session requirement of the law as a measurement criterion, the recommendation does merit further study.

Non-traditional modes of study. One of the biggest problems that has confronted not only the VA and the Commission but the education community as well is the task of being able to define independent study. This has been a difficult task. Unfortunately, there is no general consensus on this complicated, multi-faceted issue. While we are appreciative of the tremendous task the Commission faced in studying this matter, we do have a number of reservations about this recommendation.

Right now, the law in effect discourages a student from pursuing courses by independent study. We believe there may be no real justification for this. The VA is aware of increasing non-traditional approaches to education and the trend to structure

courses in innovative ways in order to accommodate and serve a broad and diverse universe of student needs for quality education.

The current law, 38 U.S.C. 1682(e), provides that payment for pursuit of independent study programs be limited to the less than half-time rate. Independent study generally involves a comparatively unstructured situation where verification and supervision is often difficult. Independent study is variously known as directed studies, external degree programs, university without walls, contract programs, and other descriptive terms. The distinction between independent study programs and institutional resident programs makes no inference that one is educationally inferior to the other.

Legislation limiting payment for independent study programs was the result of actual cases of abuse. These situations involved accredited public and private non-profit institutions which were able to recruit thousands of veterans by offering a vehicle for the receipt of full-time VA benefits for minimal part-time activity.

Most of these abuses involved situations where educational institutions entered into contracts with other entities which allowed these entities to offer all or part of the educational institutions' independent study programs. Therefore, the current differentiation between traditional and non-traditional programs of education is based on attempts to prevent abuse.

There are three main areas regarding the Commission's recommendation on non-traditional modes of study that we view as problematic. First of all, the Commission is recommending that independent study and other non-traditional modes of study be permitted without discrimination. Secondly, the Commission proposes that such types of study be limited within the student's overall program to a maximum of ten percent of the total length of the program. Finally, the Commission recommends that an alternative payment schedule be established based on 75 percent of the otherwise applicable rate of payment for certain programs such as those offered entirely through independent study.

We do not believe that a ten percent limitation on independent and non-traditional types of study would be practical or administratively feasible. In reaching this decision, we took into consideration comments forwarded to us by the Educational Assistance Advisory Committee, which it received from several representative organizations such as the National Association of State Approving Agencies (NASAA) and the National Association of Veterans Program Administrators (NAVPA).

The Commission's recommendations would appear, when taken in conjunction with each other, to require one rate of reimbursement for independent study until that study equals ten percent of a program and a different rate when the ten percent is exceeded. This would be difficult to administer and would increase the reporting

burden on schools. For example, NASAA noted that such a proposal has potential for unfavorable impact on such activities as teaching and counseling practicums, particularly in programs where independent research is also an integral part of the education program.

As NASAA stated, "There are too many variations and hybrid combinations to permit this to be an effective control without serious over-regulation occurring for bona fide programs with heavy emphasis on research and other out-of-classroom experiences."

In its comments, NASAA recommended that certain non-traditional experiences be defined as traditional, where, historically, that is the case. They noted that required experiences leading to a certification, license, or registration to practice in a field were primary examples of such occurrences. Out-of-classroom experiences which are a regular and accepted part of a program of education such as Honors courses and independent reading courses were also suggested by NASAA as possibly being more traditional.

Other associations expressed their support of the concept of paying for independent and non-traditional modes of study without discrimination but also questioned the ten percent limitation. NAVPA, for example, commented that, "Most institutions, and their accrediting agencies, limit the number of hours which can apply to the educational objective taken through these methods." NAVPA

suggested, "Let the institution's individual standards be the governing limitations. If the accrediting agency, and the SAA, have said that the program is viable and acceptable, that is what matters."

Other comments received by the Educational Assistance Advisory Committee indicated that the ten percent limit on independent study would probably require the school and/or the VA to monitor the credits pursued by independent study and other non-traditional modes of study to ensure they do not exceed the limit. The VA agrees with NASAA's opposition to the alternative payment schedule in its current construction.

We considered other comments supportive of this rationale in making these recommendations but cautioned that there are some schools (as well as beneficiaries) which (or who) will always find a way to maximize the benefits payable and minimize the academic efforts needed to obtain an objective. While the issue of measurement is currently quite complex, adoption of these recommendations could result in such a restrictive system of measurement that nothing would be gained in the way of simplicity.

Reliance upon SAA's. The Commission's recommendation for reliance on State approving agencies to determine what constitutes an approved program leading to an educational, vocational, or professional objective is essentially what the VA does now.

However, there may be a need for further safeguards against the contracting out of instructional modes of study in view of past abuses.

We take note of the comments NASAA forwarded to the Educational Assistance Advisory Committee in this regard. NASAA believes that "SAA's should have an explicit charge to determine that an institution is acceptable for participation in the Veterans Education Program prior to making determination about programs. It is felt that this authority, explicitly stated, could serve to eliminate undesirable institutions whose programs otherwise appear to be acceptable." The VA will study whether additional authority, standards and guidelines would be necessary or appropriate regarding the contracting out of instruction by institutions.

VA proposals. The VA appreciates the problems the Commission faced in addressing the measurement issue, and we share many of the same concerns expressed in the report. The VA is not opposed to innovation in education and is not distrustful of the academic inte rity of non-traditional programs of education. We would empnasize that the VA merely implements the Congressional mandate of different rates of benefits.

While we believe the present system may be complex and difficult both to administer and to understand, we are not in favor of the recommendations as a whole that the Commission has drafted. It

seems that one complex system would be replaced with another, possibly causing a whole new set of problems. Instead, we suggest that the VA study further the issues raised by the Commission.

This study would examine the elimination of standard class sessions as a measurement criterion; elimination of the payment differential between independent study, other non-traditional modes of study, and resident training; and extension of payment for independent study to those courses not leading to a standard college degree. The VA would include the results of this study in its final report to the Committees.

Mitigating Circumstances

ISSUE: Payment for courses from which a student withdraws and for which the student receives no grade used in computing the requirements for graduation.

RECOMMENDATIONS:

* Modify the "mitigating circumstances" policy to permit students to withdraw without penalty from a course or courses up to a specified limit with a non-punitive grade without producing mitigating circumstances for the withdrawal.
* Specify that "mitigating circumstances" may include child care difficulties.

VA RESPONSE: The VA concurs with the Commission's position on this issue. The Commission's first recommendation has now become law as a result of the enactment of Public Law 100-689.

The Commission cited in its report the 1987 study by the VA's Office of Program Analysis and Evaluation regarding the large amount of overpayments resulting from beneficiary error. The assignment of nonpunitive grades by school officials during or following a school term and the subsequent failure of the beneficiary to demonstrate mitigating circumstances produces overpayments that are classified

as beneficiary error. Beneficiary error consequently is the result of mandatory, i.e., statutorily required, retroactive reductions, the termination of monetary benefits, or when a student reduces or terminates and fails to notify the VA.

The cost-effectiveness study of school liability found that nonpunitive grades without mitigating circumstances categorized as beneficiary error accounted for 60.57 percent of all instances of overpayments. The study concluded, however, that beneficiary error, the causal factor with the largest percentage in education overpayments, was mainly beyond the control of the VA and, to a large extent, the schools themselves. The study further recommended that the errors due to potential school liability and unavoidable errors could be addressed through either more frequent certification by the school or by requiring VA beneficiaries to verify their continuing enrollment through a card provided in their monthly benefits check.

This is certainly one option that both the VA and the Commission have been exploring. Citing the hardship on veterans who drop courses, unaware of the consequences of withdrawing without acceptable mitigating circumstances, the Commission has offered the recommendation of modifying the "mitigating circumstances" policy to include a "forgiveness" policy. While we believe that upfront counseling and increased information dissemination, both by the VA

and the schools, will help alleviate this situation, in legislative hearings in May 1988, the VA testified in support of this "forgiveness" approach in the first instance of course load reduction.

The Commission's recommendation, therefore, was considered in legislative hearings and included as part of Public Law 100-689, which was signed into law by the President on November 18, 1988, and will become effective on June 1, 1989. The new law states:

> Sec. 121. COURSE WITHDRAWALS.
> (a) In General. - Section 1780(a)(4) is amended by inserting after "circumstances" the following: ", except that in the first instance of withdrawal by an eligible veteran or person from a course or courses with respect to which such veteran or person has been paid assistance under this title, mitigating circumstances shall be considered to exist with respect to courses totaling not more than six semester hours or the equivalent thereof".
> (b) Effective Date. - The amendment made by subsection (a) shall apply so as to require that mitigating circumstances be considered to exist only with respect to withdrawals from a course or courses being pursued with assistance under title 38, United States Code, that occur on or after June 1, 1989.

With this legislation, the Commission's recommendation regarding mitigating circumstances will now be put into effect. We are presently considering provisions for implementing this new provision of law. In doing so, we will consider the Commission's suggestion that notification be given the student of the consequences and procedures for future incidences of nonpunitive grades being

assigned. As amended by Public Law 100-689, section 1780(a)(4) of title 38, U.S. Code, will be applicable to all types of training.

Insofar as the second recommendation under this category is concerned, the VA is in agreement. Even though this should be current operating procedure with adequate supporting evidence, given the Commission's expressed concern for problems relating to the issue of child care, we will propose drafting a change to the regulations to have this included as an example.

We will consider proposing that 38 C.F.R. 21.7020(b)(19) be amended to read as follows:

(19) Mitigating Circumstances. The term "mitigating circumstances" means circumstances beyond the veteran's or servicemember's control which prevent him or her from continuously pursuing a program of education. The following circumstances are representative of those which the VA considers to be mitigating. This list is not all-inclusive.
(i) An illness of the veteran or servicemember,
(ii) An illness or death in the veteran's or servicemember's family,
(iii) An unavoidable change in the veteran's conditions of employment,
(iv) An unavoidable geographical transfer resulting from the veteran's employment,
(v) Immediate family or financial obligations beyond the control of the veteran which require him or her to suspend pursuit of the program of education to obtain employment,
(vi) Discontinuance of the course by the school,
(vii) Unanticipated active duty military service, including active duty for training,
(viii) Difficulties in obtaining or changes in child care arrangements beyond the control of the veteran or servicemember which require him or her to suspend pursuit of the program of education, in order to provide such care.

(Similar changes will have to be made to 38 C.F.R. 21.4136(k), 21.4137(h), et al.)

Proposing this change will make the policy regarding child care regulatory for acceptable mitigating circumstances purposes. Supporting evidence documenting the difficulties in child care arrangements necessitating suspension of a program of education will be required.

PUBLICATIONS

ISSUE: Availability of up-to-date information on educational assistance benefits.

COMMISSION RECOMMENDATIONS:

* Make available on a regular basis up-to-date publications such as newsletters and manuals designed to assist institutions in administering benefits.

* Rewrite the chapters of title 38, U.S.C., pertaining to educational assistance programs (and as necessary other provisions of law) to provide for better organization, clarity, readability, and understanding (particularly in view of the termination of the chapter 34 program on December 31, 1989).

VA RESPONSE: The VA agrees with the Commission's position that up-to-date publications should be made available on a regular basis to assist institutions in administering benefits.

We agree that the education provisions of title 38, U.S. Code, could be rewritten to be more understandable to the layman; however, we believe that our limited resources could be put to more effective use.

Up-to-date Publications. The Commission points out the value of the manual, "Certification of Students Under Veterans' Laws", published with the cooperation of the Department of Veterans Affairs and the American Association of Collegiate Registrars and Admissions Officers (AACRAO). As noted in the report, the VA has already taken action to rewrite and update this manual. It is anticipated that the updated manual will be published and ready for distribution during the spring of 1989. Agreement has been reached to publish the new manual in a loose-leaf format, as suggested by the Commission.

The Commission suggests exploring the development of a subscription approach to a newsletter, asking schools to help defray the costs of production and distribution. This concept has precedent with other Federal agencies.

The VA agrees with the Commission's position in this regard. Using a subscription approach for producing and distributing a regular newsletter may be feasible and beneficial. Further study with cost-effectiveness analyses should be undertaken before a final decision can be made. The VA agrees, however, that this could be one way of alleviating the problem of available resources for publishing informational materials.

Rewrite of title 38. The education chapters in title 38, U.S. Code, have evolved over the more than forty years of veterans' educational

assistance benefit programs. They represent time-tested statutory provisions which have protected the public trust in these programs, helped prevent fraud, waste, and abuse, and helped maintain the integrity of the G.I. Bills. The provisions contained therein provide the legal basis for our regulations, manuals, etc. Title 38, United States Code, does not represent a formal rule-making process of the Veterans Administration. It is, instead, the body of laws enacted by the Congress.

The VA, in meeting its responsibility of interpreting and implementing the law as enacted by Congress, develops and publishes rules in the Federal Register; circulars, which are instructional or explanatory statements; manuals, such as the VA education procedures manual (M22-2) and other procedural and directive guidelines for the administration of its education programs.

We have been making every effort to ensure that our procedures and directives are as clear and concise as possible, in understandable English, and organized and structured for ease of reference and readability. The immediate concerns of the Commission regarding clarity and understandability can be more effectively achieved through continuation of these efforts.

The present code of veterans' laws encompasses a number of very different veterans' educational assistance programs, each originally enacted with specific designs and purposes. In many instances, the

administration of the various education programs varies significantly due to the different purposes of each. Any effort to restructure the education provisions of title 38, U.S. Code, would first have to examine each of the various education programs to identify their differing designs and purposes.

In another section of its report, the Commission urges standardization among the various education programs, and we concur in that recommendation. In implementing standardization, we will make every effort to ensure that the resulting proposed changes to title 38, U.S. Code, are as clear and concise as permissible.

However, rewriting the education chapters in title 38 would be a long and difficult task, which would place a great strain on the resources of the VA. Care would have to be taken to ensure that the rewrite did not inadvertently change the intent of current law. While a rewrite would be laudable, the VA's resources could be better used to implement the new provisions resulting from the Commission's study and changes needed in other VA programs.

REMEDIAL, DEFICIENCY, AND REFRESHER TRAINING

ISSUE: G.I. Bill benefits for remedial, deficiency, and refresher training.

COMMISSION RECOMMENDATIONS:

* Make G.I. Bill benefits available for remedial, deficiency, and refresher training under all of the various educational assistance programs, including the programs established by the Hostage Relief Act (HRA) and the Omnibus Diplomatic Security Antiterrorism Act, as well as the chapters 30 and 106 and sections 901 and 903 programs.

* Resolve the issue of the charge to entitlement for this type of training in a consistent manner. Based on the precedent established by the chapter 34 program, the Commission believes that there should be no charge to entitlement for benefits paid for this pursuit.

* If a nine-month limitation on refresher training is incorporated in the Montgomery G.I. Bill programs, an identical limitation should be added to the other chapters for consistency.

VA RESPONSE: The VA agrees in principle with these recommendations

of the Commission, except that the VA supports the charging of entitlement for benefits paid for pursuit of remedial, deficiency, and refresher courses as provided in current law.

At the time the Commission was considering these recommendations, legislation addressing this issue was pending in the Congress. Since that time, Public Law 100-689 was signed into law by the President on November 18, 1988.

The amendments made by Public Law 100-689 regarding refresher, remedial, and deficiency courses will become effective on August 15, 1989. Among the provisions, the new law permits the payment of educational assistance benefits for refresher courses, which includes courses which will permit an individual to update knowledge and skills or be instructed in the technological advances which have occurred in the individual's field of employment, deficiency and remedial training for those under chapters 30 and 32 with a charge to entitlement.

In addition, Public Law 100-689 permits deficiency and remedial training for those under chapter 35, the Hostage Relief Act and the Omnibus Diplomatic Security Antiterrorism Act. However, under these program entitlement will not be charged for the first five months of full-time pursuit (or the equivalent in part-time educational assistance) consisting of remedial or deficiency courses.

Standardization. The new law, however, does not extend remedial, deficiency, and refresher training to those under Chapter 106, or Sections 901 and 903. Under the standardization recommendations of the Commission, we would support the Commission's position that the programs be made consistent, wherever appropriate.

Charge to entitlement. Insofar as the Commission recommends that the issue of the charge to entitlement for remedial, deficiency, and refresher training be resolved in a consistent manner, the VA is in agreement. We note that the provisions of Public Law 100-689 generally require charging entitlement for pursuit of such courses with the exception of the first five months of such training for those under Chapter 35. We differ from the Commission's position in this regard, however, and advocate entitlement charges be made for pursuit of all courses. The provisions currently a part of Public Law 100-689 are the most equitable for all concerned. Despite the good intentions of most institutions and those veterans in serious pursuit of an approved goal or objective, charging entitlement should remain as a safeguard against those who might wish to abuse the educational assistance programs.

Nine month limitation. The Commission's third recommendation regarding a nine-month limitation on refresher training was considered in the most recent legislation but was not enacted. As such, the consistency issue presented here is a moot point. If discussed in the future, however, it does merit consideration as

part of an overall standardization effort.

REPORTING FEES

ISSUE: Increase in the reporting fee paid to educational institutions and training establishments.

COMMISSION RECOMMENDATIONS:

* Increase the amount of reporting fees paid on an annual basis.

* Provide that the amount of the fee be based on a scale, rather than a head count. For example, schools who have 5 or fewer eligibles enrolled would be paid "X", schools with 6 to 25 eligibles enrolled would be paid "Y", and so forth.

* Include chapter 31 trainees in the count of those on whose behalf the fee is paid.

VA RESPONSE: The VA opposes the first recommendation, agrees in principle with the second, and will consider the last recommendation.

Reason for fee. Efficiency in the administration of veterans' education benefits is affected by coordination of various groups and agencies which are involved in serving veterans. Part of this cooperative effort should be reflected in the reporting fees that are paid to institutions for their efforts in ensuring that veterans

and other eligible persons receive the education benefits to which they are entitled, while also ensuring that benefits have been correctly paid. To ensure that Federal funds are not abused or expended to those not entitled, lengthy rules and requirements have evolved over the years to verify entitlement and compliance.

Section 1784(c) of title 38, U.S. Code, states that the VA will pay to any educational institution furnishing education or training for veterans or other eligible persons a reporting fee "which will be in lieu of any other compensation or reimbursement for reports or certifications which such educational institution...is required to submit to the Administrator by law or regulation."

The VA, through regulations and as the result of statutory requirements, requires institutions to report promptly the entrance, re-entrance, change in hours of credit or attendance, interruption, and termination of attendance of each veteran or eligible VA beneficiary. In addition, schools must verify the enrollment and delivery of the benefit check for each veteran or eligible person receiving advance pay.

The certification requirements are very detailed, and the institution must at all times have available for VA inspection all pertinent records and accounts. In addition, institutions must devote time to many requirements which are not reimbursable, such as keeping catalogs current and complete, ensuring that no more than 85

percent of the students enrolled in each program are veterans, assisting VA compliance specialists and SAA personnel in their surveys, correcting deficiencies, and dealing with faculty members regarding the monitoring and reporting of student attendance or withdrawal.

While these activities are significant, they are decreasing as the overall number of students receiving VA benefits decreases from the peak loads of the nineteen seventies when the reporting fee was increased. In addition, the institutions clearly receive tuition from all of these students, a part of which is attributable to administration. Given the added enrollments in school provided by the VA education programs, there is no need to increase the reporting fee for activities that are best characterized as a cost of doing business.

Scale approach. The VA agrees that the reporting fees should be a reflection of the total number of veterans who train at an institution during a calendar year. The VA supports in concept the Commission's recommendation that the amount of the reporting fee be based on a scale rather than an exact head count, but that the data for determining placement on the scale should be extracted from VA's own computer system. The advantages of a scale approach would be preferable, not only for schools, but also administratively for the VA. This would require programming changes to our present computer system, but we believe the end results would justify doing this in

terms of net savings in administrative costs. Any scale system, however, should recognize the economies of scale for administering activities. Thus, the scale should pay less per student as the number of students increases.

Chapter 31 trainees. We would like to study the inclusion of Chapter 31 trainees in the count of those on whose behalf reporting fees are paid. As the Commission has noted, Chapter 31 service-connected disabled veterans frequently require the provision of services and assistance by the institution above and beyond those usually provided other veteran-students. We will examine the need for the fee in the context of the book handling charge already being paid to institutions on behalf of Chapter 31 trainees.

These recommendations of the Commission would all require legislation amending section 1784(c) of title 38, U.S. Code. We recommend that the Committees study further the desirability of and specifications for both a scale approach and an increase in the reporting fee. The illustrative chart included in the Commission's report with a hypothetical cost comparison should be studied further.

RESTORATION OF PAY REDUCTIONS UNDER CERTAIN CIRCUMSTANCES

ISSUE: Restoration of chapter 30 pay reductions.

COMMISSION RECOMMENDATION:

* Permit the restoration of pay reductions as a death benefit and in certain other limited situations.

VA RESPONSE: The VA agrees with this recommendation.

We note that subsequent to the Commission's deliberations on this topic, legislative action was taken to enact the major points raised by the Commission.

In hearings before the House Subcommittee on Education, Training, and Employment in 1987, we voiced our support for amending chapter 30 of title 38, U.S. Code to add a new section to award a death benefit to certain survivors of participants under the Montgomery G.I. Bill - Active Duty who die while on active duty.

The bill being considered at that time, which was incorporated into the final act that was passed, provides a death benefit on behalf of an individual who dies after June 30, 1985, while on active duty, and who had his or her basic military pay reduced due to

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participation in the Montgomery G.I. Bill education benefits program. The VA, under the new law, is authorized to pay a death benefit in the whole amount of the basic pay reduction less any amounts of educational assistance that have been paid the individual or accrued under chapter 30 at the time of death. The benefit is payable to the serviceperson's survivors as designated by the individual under his or her Servicemen's Group Life Insurance policy or to the heirs as listed by the law.

In testifying in support of this bill, the VA noted that it would correct the inequity which occurs when a serviceperson dies while in service to the Country before having had the opportunity to take advantage of the education benefits available under the Montgomery G.I. Bill but has sustained a reduction in pay through participation in the program. We believe this legislation is appropriate and, accordingly, the VA supported enactment of this measure.

The President signed the bill on November 18, 1988, which became part of Public Law 100-689.

ROLE OF CONTINUING EDUCATION

ISSUE: The role of continuing education courses in relation to G.I. Bill benefits.

COMMISSION RECOMMENDATION:

* Approval of continuing education courses be made consistent with the stated principle of the G.I. Bill that programs of education must lead to an educational, vocational, or professional goal.

VA RESPONSE: The VA concurs with this recommendation.

A principal purpose of VA educational assistance programs has always been to provide monies to assist eligible students in attaining an educational, vocational, or professional objective. The VA supports this recommendation, agreeing that there is no basis upon which to pay educational assistance allowance for pursuit of any other type of objective. The VA agrees with the Congressional view of purposeful pursuit. The legislative history of the G.I. bills includes many statutory changes intended to stress the pursuit of an "objective" and to eliminate the authorization of benefits training pursued for other purposes.

As noted in section 1780(a), title 38, U.S. Code, benefits may be paid only when a veteran is in active pursuit of a program of education or training. The VA supports the principle of defined pursuit of a preselected educational program which must be complete in that it must include all instruction needed to attain the stated objective. Benefit payments should not be made for pursuit of courses vaguely related to the attainment of an objective or for courses desired for self-improvement.

The VA supports the stated purposes of the G.I. bills, i.e., to enhance and improve the attractiveness of military service, provide access to higher education to persons who might otherwise be unable to afford it, provide vocational readjustment and restore lost educational opportunities to those whose careers were interrupted or impeded by active service, and to aid such persons in attaining the vocational and educational status they might normally have attained had they not served in the Armed Forces. Unlike other Federal aid programs, the G.I. bill is a conditional benefit whose purposes are to be achieved by the pursuit of a predetermined occupational, professional, or educational objective. We see no reason at this time to deviate from those stated purposes.

STANDARDIZATION

ISSUE: Inconsistencies among the various educational assistance programs.

COMMISSION RECOMMENDATION:

* Standardize the different features of the various veterans' education programs to the maximum extent possible, consistent with their design and purpose.

VA RESPONSE: The VA supports the recommendation of the Commission to standardize the different features to the maximum extent possible but consistent with the program's design and purpose.

The Commission has cited the numerous differences among the many educational assistance programs. Many of these are the result of patchwork legislation over the years in response to one concern or another. The Commission notes that many of the differences appear to serve little purpose and make the administration of the benefits more complex and inequitable. Insofar as many of the differences may be arbitrary, the VA supports the recommendation of the Commission to standardize the different features to the maximum extent possible but consistent with the program's design and purpose.

It is suggested that, in order to compile an accurate and reasonably complete listing of the differences, consideration should be given to setting up a task force of VA adjudicators and education liaison representatives from VA regional offices "charged with identifying -- without regard to legislative intent or legal interpretation -- all the inconsistencies." The VA is in general agreement with this proposition, since, as the Commission assesses, these individuals would be the ones having the greatest familiarity on a day-to-day basis with all the administrative nuances of the various programs.

The VA is committed to improving and putting forth the best possible administration of veterans' educational assistance programs. While some aspects of standardization may be facilitated by the agency, legislation would be required to change others. In conjunction with an effort to standardize the various education programs, the VA will establish a task force for the purposes of identifying and compiling a listing of differences among the various programs. We support the Commission's initiative toward standardization of the various education programs, consistent with their design and purpose.

TRAINING AND ASSOCIATED ADMINISTRATIVE RESOURCES

ISSUE: Well-trained, well-informed participants in the benefits delivery system with adequate resources to perform required responsibilities.

COMMISSION RECOMMENDATIONS:

* Sufficient resources be made available to carry out regular training sessions of all those involved in the administration of G.I. Bill benefits.

* Enhanced computer capabilities (with emphasis on an on-line facilities file) be made a priority within the VA.

* Staffing and other resource allocation decisions take into account the reality of an increasing educational assistance caseload.

* VA work-measurement criteria reflect the non-paper aspect of the administration of benefits, the need to enhance morale, and the provision of personal attention.

VA RESPONSE: The VA supports these recommendations in concept within the constraints of available resources.

As the Commission points out, training is critical to improving the administration of G.I. Bill benefits, and that to accomplish this, resources must be made available on a continuing and regular basis.

The training should address the needs of those at every level of the benefits delivery system to include the State approving agencies, the schools and training establishments, National Guard and reserve units, and VA employees. We agree with the Commission in that a great deal of training needs to involve the basic nuts and bolts of the approval process. Clarification is needed especially about the approval requirements for nontraditional programs, branches and facilities; the meaning of regulations and terminology; and required or recommended procedures.

Training should be provided about state approvals, supervisory visits, and follow-ups on discrepancies, as well as more about compliance surveys and review of approvals. All elements of VA educational staff should be kept familiar with the uses that adjudicators make of approvals and with VA fiscal procedures; and adjudicators should be trained more about the approval process. Information should also be provided about accrediting and state licensing, Department of Labor apprenticeship operations, the organization of the state educational system, school record systems, and the kinds of reports schools can provide.

Given the available resources, we support the Commission's concern

for better, more effective training, and not just confined to set subjects. We believe that training should respond to new developments, new laws, and regulations. Training is not just a matter of talks, discussions, and reading. It should also be undertaken by temporary exchanges of state and VA personnel and by joint visits to schools. As the Commission points out, the goal is a better, common understanding of VA objectives and regulations, and a better understanding of, and respect for, the roles and responsibilities of VA and state agencies. To this end, the Fiscal Year 1990 budget requests funding for the creation of an "Adjudication Academy", which would be designed to provide a centralized or national training program for new veterans' claims examiners.

At the present time, enhanced computer capabilities remains a priority within the VA. An on-line facilities file is under active consideration by the Department of Veterans Benefits, and an evaluation is currently being prepared.

The National Association of Veterans Program Administrators (NAVPA) agrees with the Commission that adequate financial support must be given to make the benefits delivery system all it can be, and that electronic transfer of data should be considered. Standardization of equipment among the VA offices is also a concern of NAVPA that, given adequate resources, could be accomplished.

Consideration is being given to the reality of an increasing educational assistance caseload, as the Commission suggests. This is of importance in any serious consideration of implementing a consolidated-region approach to the handling of all education benefit programs. This approach could simplify the staffing and other resource allocation decisions needed to be made as the educational assistance caseload increases.

Studies are also currently being conducted to evaluate the VA work-measurement criteria and performance standards. We take note of the Commission's concern that the VA may weigh too heavily on the "paper-pushing" aspect of the administration of benefits rather than the need to provide the personal touch which might facilitate speedy and more responsive service. We are also aware of the concerns of other associations regarding a perceived emphasis on quantity rather than quality. We can assure the Commission members and education associations that quality is a primary concern of the VA and that emphasis is always placed in that area. We generally agree with the Commission's focus in these areas of training and associated administrative resources but within the realities of the constraints of available resources.

TWO-YEAR RULE, STANDARDS OF PROGRESS AND THE "85-15 RULE"

ISSUE: Retention of provisions of law and regulations designed to discourage misuse or abuse of educational assistance benefits.

COMMISSION RECOMMENDATIONS:

- Reaffirm the provisions of title 38 that have been effective in encouraging appropriate use of G.I. Bill benefits, such as the two-year rule, standards of progress criteria, and the "85-15 Rule".

- Apply these provisions across the board to all the programs of educational assistance administered by the VA.

- Incorporate into the criteria for determining waiver or applicability of both the two-year rule and the "85-15 rule" those individuals training under the chapter 106 program.

VA RESPONSE: The VA agrees with the position of the Commission on retaining the provisions of law and regulations designed to discourage misuse or abuse of educational assistance benefits.

The VA is charged by the Congress with the responsibility for disbursing educational assistance benefits only to eligible and

qualified veterans. Because abuses have taken place wherein veteran-students received Federal funds even though not entitled, Congress and the VA have moved over the years to tighten laws, regulations and procedures with respect to the educational community to halt illegal practices and to prevent their recurrence.

Always of major concern is how to administer a national Federal benefits program so that every eligible and qualified person promptly receives every dollar of educational assistance to which he or she is entitled and those who are not eligible will not take improper or illegal advantage of the system. Among the broader issues that have surfaced are the aims and scope of laws passed by the Congress, the relevant regulations promulgated by the VA, the methods and procedures used by the VA as it attempts to carry out its duties, and the nature and extent of institutional responsibilities.

The VA is obliged to implement the intent of legislation. Less obvious is the need to prevent abuse of one of the largest financial assistance programs in American education. There have been schools which have designed programs specifically designed to take advantage of veterans' benefits. Admittedly, the number of schools engaging in such practices is limited and represents but a small minority. This has led some officials to question the broad scope of our regulations and the attendant burden they place on all schools. However, we would point out that due process requires that

regulations be generally applicable and the VA cannot selectively enforce the law through regulations directed at particular institutions. Nevertheless, where possible, we strive to narrow the scope of regulatory effect through distinctions which are constitutionally acceptable.

The history of the abuses of the World War II program is well-known. Many schools sprang up mainly to profit by enrolling veterans and receive Federal funds, and there were instances of such schools overcharging veterans. Progress has been made over the years in correcting specific operational inefficiencies. This progress has generally paralleled the development of statutory safeguards and changes in the organizational structure of the VA. Such measures as the two-year rule, the 85-15 rule, and the requirement that schools have and enforce standards of progress originally were intended to prevent abuse. The latter was typified by the veteran who continued to receive benefits semester after semester although making little or no progress toward an objective. These laws now provide adequate control and safeguards against abuse, and the VA agrees with the position taken by the Commission that they should be reaffirmed.

We agree that the need to maintain those provisions of law and regulations that have contributed to the success of the G.I. Bill and that facilitate effective program administration should be retained. These provisions protect program integrity, and nothing would be served by throwing out controls and regulations now in

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place only to find in time a need for new or strengthened controls. We would also emphasize that neither VA policy nor any of our regulations require schools to change their policies. Rather, they establish the policy under which veterans' benefits will be paid as well as the amount which is payable. The Congress has established the basis for the payment of educational assistance benefits, and it is the VA's responsibility to implement such Congressionally mandated standards for benefit payment. As previous studies have concluded, "It is well established that any government agency has a primary and implicit duty, when disbursing tax money, to supervise the use of those funds in a fashion which will insure that the money is wisely and economically spent for the purpose Congress intended. This duty is always present regardless of the conditions."

We note, also, that the Commission proposes that these provisions be applied to all the programs of educational assistance administered by the VA. This is an issue that should be studied as part of the Commission's standardization recommendations, consistent with the design and purpose of the programs.

The Commission also recommends that the waiver provisions of the 85-15 rule be applied to those individuals training under the Chapter 106 program. We are in favor of doing this and have already initiated discussions with the Department of Defense to include Chapter 106 trainees in the waiver provisions for not only the 85-15 provisions but also for the provisions regarding the two-year rule.

VALUE OF HOME-STUDY COURSES; EDUCATIONAL ASSESSMENT

ISSUE: Assessment of the vocational value of courses offered through home-study or correspondence.

COMMISSION FINDING:

* The Commission has made no finding on the vocational value of home-study and is unable to comment on the merit of this mode of study as compared to others.

VA RESPONSE: The VA takes note of the Commission's finding in this regard and has no comment to make or add.

WORK-STUDY PROGRAM

ISSUE: Effective utilization of the VA's work-study authority.

COMMISSION RECOMMENDATIONS:

* Overhaul the VA's work-study program to provide for a flexible progressive payment scale that could be used to attract and retain quality work-study students, especially in high-cost areas.

* Expand eligibility for the VA's work-study program to individuals training under the chapter 35 and the chapter 106 programs.

VA RESPONSE: The VA does not support the recommendations of the Commission as stated herein.

The Department of Veterans Affairs does not need to provide work-study benefits to non-veterans, when Chapter 35 students can utilize the many government-wide opportunities for educational assistance, including work-study funded by the Department of Education.

At this time, we are not taking a position insofar as the proposal

to include Chapter 106 trainees for work-study eligibility. As pointed out by the Commission in its report, the effectiveness of the work-study program in its current form is limited not by a lack of funding but by a general lack of interest in the program on the part of potentially eligible students. Adding more eligibles to the program who, generally, are already gainfully employed and maintaining the low minimum wage, does not appear to be a solution to the problem.

We do not support the flexible progressive payment scale recommended by the Commission but believe the proposal to establish a payment schedule for high-cost areas merits further study.

VA alternative proposal. As noted by the Commission, some states have established a minimum wage that is higher than the $3.35 Federal minimum wage. An alternative proposal the Commission may wish to consider is to allow the VA in those states with a higher minimum wage to pay that amount to work-study students working in that state, rather than the Federal minimum wage. This approach could provide the equity being sought by the Commission, while at the same time allowing the VA to maintain the integrity of the work-study program.

At the current time, there are only twelve states with a minimum wage higher than the Federal minimum of $3.35 per hour. These range from $3.65 to $4.25. Paying the higher wage would result in

additional costs of less than $1 million in any year. Because the Fiscal Year 1990 budget does not contain funds for this purpose, the costs and legislation required will be considered in the context of the Fiscal Year 1991 budget process.

APPENDIX A

Comments From The Administrator's

Educational Assistance Advisory Committee

Department of Veterans Benefits Washington D C 20420

Veterans Administration

JAN 11 1989

In Reply Refer To:

Honorable Thomas K. Turnage
Administrator of Veterans Affairs
VA Central Office
810 Vermont Avenue, NW
Washington, D.C. 20420

Dear Mr. Turnage:

As required by section 320 of Public Law 99-576, the Commission to Assess Veterans' Education Policy submitted its report to Congress at the end of August 1988. The report contained a number of recommendations for the improvement of services under VA education programs.

Senate Report Number 100-439 accompanying S. 2011, the Veterans' Benefits and Improvements Act of 1988, indicates that the recommendations of the Commission should be closely coordinated with the Administrator's Educational Assistance Advisory Committee. Consistent with the spirit of that suggestion, I am hereby submitting to you the comments of your Educational Assistance Advisory Committee on the Commission's recommendations.

In addition to the Committee's response, I am also submitting a minority report which represents the personal views of Col. Hazel E. Benn, USMC (Ret.).

Sincerely,

Oliver E. Meadows

OLIVER E. MEADOWS
Chairman
Administrator's Educational Assistance
Advisory Committee

Enclosures

RESPONSES TO THE COMMISSION RECOMMENDATIONS

These responses came out of a meeting of the Subcommittee to Consider the Commission's Recommendations. As part of its deliberations, the Subcommittee considered the responses of the full Committee. The responses then are meant to be representative of the views of the full Committee.

Recommendation #1: Benefit-Delivery System Structure

Response: The Committee concurs, subject to the following amendments---

* Specify that the "education ombudsman" must possess at least an undergraduate degree and must also be familiar with higher education and VA education policies

* Recognize that there is a need now for a centralized inquiry unit equipped with a toll-free 800 phone number at the St. Louis regional office

Recommendation #2: Certifications and Reports: Effective Dates

Response: Change the recommendation so that the requirement that institutions report changes in status within 30 days of the date of the event be amended to a requirement that changes be reported within 30 days of the date on which the institution has knowledge of the event for institutions located within the United States and within 45 days of the date on which the institution has knowledge of the event for U.S. institutions which offer courses outside the United States

Recommendation #3: Changes of Program Limitations

Response: The Committee concurs, subject to the following amendments---

* that there be a clarification made to the effect that the required counseling mentioned be understood to be VA-approved counseling. The institutions' counseling would be considered approved by the VA if a prior agreement is made between the VA and the institution.

* that it be specified that VA counseling be required

for changes of program beyond an initial change only in those cases in which the time required to complete a degree program increases the original required completion time by ten percent or more

Recommendation #4: Compliance Surveys and Supervisory Visits

Response: The Committee concurs, subject to the following amendment---

* that the recommendation be changed to read as follows: Monitor by exception by permitting the VA to focus on schools for compliance survey audits based on factors outside the norm

* however, VA should avoid publication of a 'bad school' list which could possibly be an invitation to litigation

Recommendation #5: Counseling and Support Service to Veterans

Response: CONCUR

Recommendation #6: Debt Recovery and Fraudulent Claims

Response: The Committee concurs, with the following observation---

* the Committee strongly supports the VA's efforts in the area of debt management and believes VA should continue its strong policies and procedures in this area.

Recommendation #7: Distinctions between Non-College Degree and Degree Training

Response: CONCUR

Recommendation #8: Measurement

Response: While the Committee did not reach a consensus on this complicated, multi-faceted issue, the Committee does express the following concerns:

* the portions of VA law governing measurement issues are often very complex. This fact has resulted over the years in a very intricate configuration of regulations and procedures which are necessary to implement the law. The Committee recognizes that the Congress and the VA continue to grapple with the particular difficulties inherent in trying to arrive at methods for measuring independent study and other non-traditional modes of education in ways which, on the one hand are fair but which, on the other hand, will not compromise the integrity of the VA education benefits program.

* there should be some assurances that the Commission's recommendations will not result in any reduction in veterans' education benefits for those attending non-college degree/vocational-technical type institutions.

* while the Committee agrees with the concept expressed in recommendations 8c. and 8d., there is serious concern among some members about assigning percentage limitations on independent and other non-traditional forms of study--- ten percent in 8c. and 75 percent in 8d.

* the Committee realizes that the more stringent measurement criteria applied to independent and other non-traditional modes of study will work a hardship on certain institutions of higher learning. However, the Committee is also aware that the potential for abuse is greater with these types of study and that, consequently, in the interest of program integrity, any resulting hardship may be unavoidably necessary.

Recommendation #9: Mitigating Circumstances

Response: CONCUR

Recommendation #10: Publications

Response: CONCUR

Recommendation #11: Remedial, Deficiency, and Refresher Training

Response: CONCUR

Page 4.
Responses (continued)

Recommendation #12: Reporting Fees

Response: the Committee concurs, subject to the following amendment---

* that reporting fees be based on the total number of veterans who trained at an institution during a calendar year, and that this count be extracted from VA's own computer system

Recommendation #13: Restoration of Pay Reductions Under Certain Circumstances

Response: CONCUR

Recommendation #14: Role of Continuing Education

Response: CONCUR

Recommendation #15: Standardization

Response: CONCUR

Recommendation #16: Training and Associated Administrative Resources

Response: the Committee concurs, subject to the following amendment:

* specify that the training sessions should, if possible, include institutional (i.e., school) personnel and appropriate Department of Defense personnel who work with veterans' benefits

Recommendation #17: Two-Year Rule, Standards of Progress and the "85-15 Rule"

Response: CONCUR

Recommendation #18: Value of Home Study Courses

Response: No response, since the Commission has made no finding on this issue.

Page 5.
Responses (continued)

Recommendation #19: Work-Study Program

Response: The Committee concurs in this recommendation, but would like to add the following comments with regard to the Montgomery GI Bill:

* eligible persons should be permitted to use Montgomery GI Bill-Selected Reserve (chapter 106) benefits for any type of training including non-college degree type training at vocational/technical schools

* the Committee agrees with the position of the National Association of State Approving Agencies (NASAA) that there should be parity between the chapter 30 and the chapter 106 programs

MINORITY OPINION

For many years, the Veterans Administration has been accused by certain institutions of higher learning of usurping, or trying to control, the institutions' academic policy.

This accusation normally has been made when varying amounts of VA educational benefits are paid to veterans because certain courses do not meet the detailed requirements set forth in Title 38. A specific example concerning this accusation is included in the Commission's report on page 117 which concerns course measurement. The third sentence in the second paragraph on that page reads, "It puts the VA squarely in the situation of dictating education policy to educational institutions." In my opinion, this sentence is an inaccurate statement whether taken in or out of context.

The statute, Title 38, Chapter 3, passed by Congress and signed into law by the President, specifically charges, "The Administrator of Veterans Affairs, under the direction of the President, is responsible for the proper execution and administration of all laws..." administered by the VA for VA benefits. In this same title, the VA Administrator is prohibited in Section 1782, and in other sections, from exercising "...any supervision or control...over any educational institution."

I submit that the VA Administrator is paying monthly checks to veterans in accordance with Title 38. Each veteran then uses his personal funds, from whatever source, to pay the institution's fees for tuition and other costs, the same as any other student. This, in my opinion, is in no way placing the VA in a position of dictating academic policy.

On the basis of the above, I further submit that the sentence cited above from the Commission's report, should be deleted by specific reference in the Commission's final report or clarified as inaccurate, or, if clarification can be made as to how the payment of a VA benefits check to an individual is interfering with academic policy, then this type of clarification should be included in the final report.

Hazel Benn
Subcommittee Chair
Administrator's Educational Assistance Advisory Committee

APPENDIX B

COST ESTIMATES

Cost Estimates

For Positions With Which The VA Is In Agreement

1. Monthly certification verifying pursuit of training for all education benefit programs.

It is estimated that the additional benefit savings to the Department of Veterans Affairs resulting from this proposal because of a reduction in overpayments would be minimal; i.e., less than $1 million in any year, because of the declining number of participants in Chapter 34 and low rate of overpayments for Chapter 35 participants. There may be significant reductions in overpayments for members of the Selected Reserve training under the provisions of chapter 106 of title 10. Any such savings would revert to the Department of Defense.

The estimated administrative cost of this proposal will be determined when the Veterans Benefits Administration evaluates its experience in administering the monthly certification requirement for Chapter 30.

2. Institution of a counseling requirement for changes of program beyond an initial change.

Based on the 1988 actual percentage of 2.79 per cent of all trainees having a change of program beyond an initial change and an average of $150 per counseling case, the FY 1991 cost of this proposal would be $1,500,000 with a five-year cost of $8,700,000. It is assumed that counseling would be done on a contract basis and be paid from the Readjustment Benefits appropriation. This proposal will be studied further in the context of the Fiscal Year 1991 budget process.

3. Eliminate distinctions between non-college degree and degree training.

The VA supports the concept that absence reporting for non-college degree students be eliminated. The benefits cost of this proposal would be less than $1 million in any fiscal year.

4. Standardizing the different features of the various education programs to the maximum extent possible.

There is insufficient information available to provide a cost estimate for this proposal. A cost estimate will be provided when specific details are made available.

APPENDIX C

DRAFT LEGISLATION

This appendix, pursuant to Public Law 99-576, section 320(c), provides proposed legislative language designed to implement certain recommendations of the Commission concerning distinctions in education benefit payment requirements for degree and non-degree training.

The terminology in the draft bill reflects the conversion of the Veterans Administration to the Department of Veterans Affairs (DVA) pursuant to Public Law 100-527. This bill assumes that appropriate technical and conforming amendments to title 38, United States Code, mandated by section 14 of Public Law 100-527 have been made.

A BILL

To amend title 38, United States Code, to implement certain recommended Veterans' Education Policy Improvements concerning distinctions in degree and nondegree training.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; REFERENCES TO TITLE 38, UNITED STATES CODE.

(a) Short Title.--This Act may be cited as the "Veterans' Education Policy Improvements Act."

(b) References to Title 38.--Except as otherwise specifically provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of title 38, United States Code.

SEC. 2. REMOVE ATTENDANCE REQUIREMENT DISTINCTIONS BETWEEN DEGREE AND NONDEGREE TRAINING.

(a) Unsatisfactory Attendance.--(1) Section 1674 is amended by striking out "conduct" each place it appears and inserting in lieu

thereof "attendance, conduct,"; and

(2) Section 1724 is amended by striking out "conduct" each place it appears and inserting in lieu thereof "attendance, conduct,".

(b) Approval of Accredited Courses Without Attendance Standards.--Section 1775(b) is amended by inserting "if the educational institution has no formal policy or regulations prescribing minimum satisfactory attendance standards required of the student to avoid interruption, loss of credit, or dismissal" after "except for attendance".

(c) Payment period.--Section 1780(a) is amended--

(1) in clause (1) by striking out "which leads to" and all that follows through "title" the first time it appears and inserting in lieu thereof "approved pursuant to section 1775 of this title";

(2) by amending clause (2) to read as follows:

"(2) to any eligible veteran or eligible person enrolled in a course approved pursuant to section 1776 of this title for any period for which the Secretary finds pursuant to section 1674 or 1724 of this title that such veterans' or persons' attendance, conduct, or progress is unsatisfactory or that such veteran or person is not pursuing his or her course in accordance with the provisions of such regulations as the Secretary may prescribe pursuant to subsection (g) of this section, and with the requirements of this chapter or of chapter 34 or 35 of this title;";

(3) in subclause (A) of the matter following clause (5) by

striking out ", and such periods" and all that follows through "subsection";

(4) in subclause (B) and (C) of the matter following clause (5) by striking out ", but such periods" and all that follows through "subsection" each place it appears.

(d) Conforming Amendment.--Section 1785(b) is amended by striking out "excessive absences from a course, or".

SEC. 3. EFFECTIVE DATES.

The amendment made by this Act shall take effect as to enrollments or reenrollments on or after the date of enactment of this Act.

NAVPA

National Association of Veterans Program Administrators

LYNN DENZIN, PRESIDENT

c/o Metropolitan State College
1006 11th Street
Box 16
Denver, Colorado 80204
(303) 556-2993

TESTIMONY OF

Lynn Denzin, President

National Association of Veterans Program Administrators

before the

House Committee on Veterans' Affairs

Response to the Commission to Assess Veterans Education Policy and Interim Report from the Department of Veterans Affairs

August 2, 1989
Room 334, Canon House Office Building

Mr. Chairman and members of this committee, on behalf of the National Association of Veterans Program Administrators, I wish to thank you for the opportunity to present our views on the recommendations made by the Commission to Assess Veterans Education Policy, and the response of the Department of Veterans Affairs.

We would like to thank all members of the CVEP for the time and effort spent in the preparation of their recommendations, and we recognize the expertise and concern shown.

Benefit Delivery System:

With the recent establishment of four processing centers for Chapter 30 benefits, it is apparent that processing of VA educational benefits will not again return to the regional offices as we have known in the past. The ombudsman would serve institutions of higher education and veterans with the benefit of being more aware of local sensitivities and special needs. We would like to include the stipulation that the ombudsman be guaranteed appropriate authority, prestige, training, computer support, and office support personnel.

It additionally would be extremely beneficial to institutions to have a direct line of contact with their appropriate processing center for inquiries. We recommend that this line be in the form of a toll free number.

Certifications and Reports: Effective Dates:

Monthly self-certification- NAVPA's greatest concern with the requirement of self-certification is the existing problem of lag time in processing. From NAVPA members nation-wide there is a problem with student veterans receiving the certification letter late, or not at all, which in turn delays receipt of the benefit check. NAVPA is gathering data on this issue.

It is also imperative that the institution be included in the loop of information the student sends the VA. The VA must build in a mechanism for checking with the institution when veterans report any kind of change in status.

Modification of the thirty-day rule- We support this suggestion, emphasizing the responsibility is on the veteran to report any change in status to both the institution and the VA.

Adjustments in benefits- NAVPA supports a change being effective on the date of the event; but only those changes which would effect pay status. Changes which have no effect on a veterans rate of training should not be required as they cause unnecessary time, effort, and paper-work for both the VA and the institutions.

Changes of Program Limitations:

Abolish limit on number of changes- This recommendation is supported. With only thirty-six months of entitlement these students will follow the most direct route for obtaining their degree objective.

Counseling requirement- This is an excellent suggestion. With adequate counseling, selection of degree objective will be much better thought out. We must raise the concern of who will do the counseling. If the VA does the counseling, delays will occur. If institutions do the counseling, they should receive compensation for the additional requirement.

Compliance Surveys and Supervisory Visits:

Monitor by exception- NAVPA supports the approach of problem solving rather than punitive action.

SAA concentrate on schools where assistance is needed- This follows the above recommendation. Resources should be utilized to assist schools who are experiencing problems or lack of understanding on necessary records. It is essential that SAA personnel are themselves adequately trained and have the necessary support to conduct effective training for institutions.

Re-model compliance surveys and SAA supervisory visits- NAVPA strongly supports adoption of this policy and this behavior. It would serve to improve the working relationship with the VA/SAA and the institutions to concentrate on fixing small problems before they become any kind of potential school liability.

Assistance to institutions with staff turnover- Excellent suggestion. The Department of Veterans Affairs Central Office must commit to the importance of the area of educational benefits and support it accordingly.

Counseling and Support Services to Veterans:

The concept of detailed counseling is absolutely supported by NAVPA. Within the narrative of the Commission recommendations is mention that the counseling would not necessarily be one-on-one. Use of videos for counseling, as well as small group sessions, could be effectively accomplished.

Debt Recovery and Fraudulent Claims:

Recovery of overpayments-

Resources and personnel be provided to the VA-

Other Federal agencies cooperate in efforts-

All of these proposals support the concept that the veteran is ultimately accountable for utilizing their educational benefits in a responsible manner. We support an aggressive, but fair, approach with the VA exhibiting responsible legal behavior.

Distinctions Between Non-College Degree and Degree Training:

NAVPA agrees with the Commission narrative which reflects a belief that arbitrary distinctions between vocational/technical programs and degree granting programs should be eliminated.

Measurement:

Progress in attaining objective- NAVPA supports payment of educational benefits by credit hour, with no distinction in how the credit is earned.

Eliminate standard class sessions- NAVPA strongly and absolutely supports this recommendation. Pay the student veteran for credit hours earned, and which the school has determined apply to the stated degree objective.

Independent and non-traditional modes of study- We support the concept of counting these credit hours without discrimination. In setting a 10% limit the aspect of record keeping of those hours could become a serious problem.

Alternative payment schedule- We support payment for credit hours earned toward the declared educational objective, regardless of the class presentation.

SAA determine what is approved program- Reliance may be placed on the State approving agencies to implement quality-control procedures, but without undue influence by the VA.

The VA study as discussed within their response is supported, and it is hoped they would consult with educational institutions and the VA Educational Advisory Committee.

Mitigating circumstances:

Modify policy- This issue has been at least partially addressed in PL 100-689. NAVPA supports the "forgiveness" policy.

Child care as mitigating circumstances- NAVPA supports difficulties with child care as acceptable mitigating circumstances, and commends the VA for their recent communication regarding this issue.

Publications:

Newsletters and manuals- NAVPA strongly supports this suggestion. The AACRAO/VA Certification Manual mentioned in the Commission narrative has been re-printed, in loose-leaf format, and sent to institutions. We applaud the efforts of those involved in that process for an excellent job. Additionally, regular publications from the VA would be an immense help to institutions.

Rewrite chapters of Title 38- We strongly and adamantly support and encourage this recommendation! The regulations are difficult for both VA employees and school officials to understand, and virtually impossible to explain to students.

Remedial, Deficiency, and Refresher Training:

Available to all chapters of GI Bill-

No charge to entitlement-

PL 100-689 did partially address this issue. Chapter 106 recipients were excluded, however. We support standardization of benefits for all chapters of VA educational benefits. We also support that there be no charge to basic entitlement, based on the precedents with previous chapters.

Nine-month limitation on refresher training- NAVPA does not support this limitation. Refresher courses in one subject area can often be taken in conjunction with regular degree courses in another area. Therefore, it may be more plausible to allow a set number of total hours taken as refresher rather than set a number of months in which benefits may be utilized.

Reporting Fees:

Increase the amount- An increase in the amount paid for reporting fees is long over-due, and is absolutely necessary. The cost to institutions for certifying veterans has increased several times over, with no increase in the commitment for reimbursement by the VA. There must be firm support within the VA for an increase to be realized.

Fee based on a scale- The most appropriate reporting fee reimbursement is to pay the institution for all student veterans they processed for an entire year. Even with the scale given in the Commission recommendations, schools are only paid for a fraction of their total veteran enrollment.

Include Chapter 31- Even though the approval for Chapter 31 students is processed differently than other chapters, every school is involved in some aspect of the Chapter 31 enrollment. Due to the special needs of many disabled student veterans services must be provided which are beyond those necessary for other veterans.

Restoration of Pay Reductions Under Certain Circumstances:

NAVPA supports this issue.

Role of Continuing Education:

NAVPA supports the recommendation that continuing education courses should be allowable for veterans educational benefits.

Standardization:

NAVPA firmly supports standardization of benefits.
The VA Task Force is a good idea, and NAVPA recommends that school officials are also consulted. The work of the Task Force could also serve as a basis for re-writing Title 38 as recommended by the Commission.

Training and Associated Administrative Resources:

Regular training sessions- NAVPA strongly endorses this suggestion. Training within the VA of new personnel is critical, and the need is immediate. With minimal training, new personnel within the VA regional offices are assigned to process files and answer questions. With frequent changes of personnel within Guard and Reserve units, errors in input of information is an on-going problem and regular training sessions could only help this situation. Additionally, the use of videos is a viable alternative for those institutions who are unable to attend training sessions due to distance, etc.

Enhanced computer capabilities- The VA has utilized systems that appear to be slow and cumbersome. To progress with the optical disk system and other Chapter 30 processing systems it is essential that the VA be given adequate financial support to enhance their systems. VA employees must be given adequate training. It is also crucial that program enhancements, software, and

equipment be standardized. We would recommend that a task-force which includes representation from the institutions of higher education be formed to develop long range computerization goals.

Staffing and resource allocation- The VA must commit to the belief that educational benefits are important, processing those claims is important, and assisting schools and student veterans is important before adequate staff and resources will be provided for educational services. The four Chapter 30 processing centers must be supported with a high priority for staffing and resources.

VA work-measurement- The Commission narrative speaks very effectively and specifically to the VA emphasis on quantity rather than quality. VA employees must receive reinforcement on the importance of doing a quality, personal job in working with veterans.

Two-year Rule, Standards of Progress, and the 85-15 Rule:

Reaffirm these provisions-

Apply provisions across the board-

Incorporate Chapter 106 program-

The Commission has recommended a new look and a fresh start in many areas of regulations and requirements. It is NAVPA's position that the same attitude should be carried through for the two-year rule and the 85-15 rule. These are out-dated concerns and methods which require an unnecessary amount of data collection on the part of institutions. Problem institutions should be dealt with on an individual basis through the methods discussed within the SAA and training narratives.

Value of Home Study Courses:

The Commission made no recommendation, and we have no comment.

Work Study Program:

Progressive payment scale-

Expand eligibility-

NAVPA strongly supports the progressive payment scale for VA work study positions, and the standardization of benefits for all chapters. With this structure there is more probability for compensating and retaining well trained workers who assist all types of VA offices as well as institutions. The VA's comment within their response on the lack of interest in the program may be traced to the low wage scale. Increasing wages should serve to increase interest.

As an alternative to the recommendation made by the Commission NAVPA is in support of the provision in S. 1092 which allows the higher of Federal or State hourly minimum wage; and expands eligibility to Chapter 35 and 106 recipients.

It has recently come to our attention that an "in-house" task force has been formed by the VA to study the issues recommended by the Commission. That task force is composed of ELR's and Adjudicators from the field, as well as Central Office personnel. In discussion with the VA Central Office it has been indicated that the educational community will be involved as that process develops. We will welcome the opportunity for input and look forward to receiving information from the task force.

We appreciate the opportunity to address the House Committee on Veterans Affairs on these issues. We commend the work that has been done by this committee to improve and ensure the success of the chapters of GI Bill.

Statement of

The American Legion

1608 K STREET, N. W.
WASHINGTON, D. C. 20006

by

SAMUEL J. WALSH, DEPUTY DIRECTOR
NATIONAL LEGISLATIVE COMMISSION
THE AMERICAN LEGION

and

RICHARD S. CHRISTIAN
NATIONAL VETERANS AFFAIRS AND REHABILITATION COMMISSION
THE AMERICAN LEGION

before the

SUBCOMMITTEE ON EDUCATION, TRAINING AND EMPLOYMENT
COMMITTEE ON VETERANS AFFAIRS
U.S. HOUSE OF REPRESENTATIVES

on

REPORT OF THE COMMISSION TO ASSESS VETERANS EDUCATION POLICY

AUGUST 2, 1989

STATEMENT OF RICHARD S. CHRISTIAN, DEPUTY DIRECTOR
NATIONAL VETERANS AFFAIRS AND REHABILITATION COMMISSION
THE AMERICAN LEGION
BEFORE THE SUBCOMMITTEE ON EDUCATION, TRAINING AND EMPLOYMENT
COMMITTEE ON VETERANS AFFAIRS
U.S. HOUSE OF REPRESENTATIVES
AUGUST 2, 1989

Mr. Chairman and Members of the Subcommittee:

The American Legion appreciates the opportunity to comment on the report by the Commission to Assess Veterans' Education Policy issued on August 29, 1988 and the Department of Veterans Affairs Interim Report on Veterans' Education Policy issued February 29, 1989.

The American Legion has reviewed the Commission's nineteen recommendations to improve the administration of the veterans' educational assistance programs and the Department's response. While we are supportive of many of these recommendations, we wish to offer comment upon several of the issues addressed in these reports.

The Commission recommended that VA adopt in the long run a consolidated-region approach to the processing of all education claims including the approval compliance functions and retain only an "education ombudsman" position in each of the 58 regional offices. The purpose of this position would be to maintain liaison with institutions, students, reserve units, and others, and to handle problem situations. VA, in its report, expressed agreement with the concept of consolidated regional processing of education claims, as recommended by the Commission. It was also indicated that VA was currently evaluating the feasibility of a consolidated regional approach.

Effective this month, VA announced it will implement regionalization of the processing of Chapter 30 - Montgomery GI Bill, education claims for active duty personnel. Currently, all Chapter 30 claims are centrally processed at the St. Louis VA regional office in connection with the Department's ongoing test project to evaluate the use of optical disk technology. The optical disk test project will continue at St. Louis, with the Chapter 30 workload being shared with three other regional offices located in Atlanta, Muskogee and Buffalo.

The American Legion offered no objection to the establishment of the optical disk test project which necessitated the assignment of Chapter 30 claims to the St. Louis VA regional office for the purpose of evaluating the optical disk technology in processing of benefit claims as an alternative to the continued use of paper records and claims files. Now, due to the heavy current Chapter 30 workload and its projected growth, three other regional offices are to be utilized to assist in processing Chapter 30 claims. The education cases will be in addition to the normal workload at these offices. TARGET

processing methods and equipment are to be used. Their performance will provide comparative data in the overall evaluation of the optical disk technology project.

The American Legion is concerned by the precedent which may be established by the proposed regionalization. We feel very strongly that this nation's veterans should be provided high quality service in an expeditious manner. The regional offices were established to serve veterans within a particular state or part of a state. Over the years, there have been a number of proposals to consolidate or regionalize VA's claims processing and adjudication activities. Under the regionalization concept, as recommended by the Commission, there would be only minimal local assistance available to veterans and other eligibles at the regional office level in the form of an "education ombudsman" as the responsibility for adjudicating and processing educational claims would be handled in some other part of the country. If this recommendation were to be implemented by VA, we believe it would serve as a precedent for a further move toward regionalization or centralization of regional office activities. The Delegates to The American Legion 1988 National Convention adopted Resolution No. 138 (ND) opposing any proposal to centralize or reassign veterans' claims processing services. A copy of Res. No. 138 is attached to this statement.

The Commission recommends the removal of the current restrictions on the number of changes in an educational program that may be approved. It also recommended that a counseling requirement be established for changes of program beyond an initial change.

The Department of Veterans Affairs did not concur with the removal of these restrictions which permit one change of program with any subsequent change in program requiring prior VA authorization. In its response, VA noted this was one of the principal safeguards against abuse of the educational assistance programs. VA, however, expressed support for the recommendation to incorporate a counseling requirement in considering an individual's request for a change in educational program beyond an initial change.

The American Legion shares the Department's concern over the potential abuse which could occur if no restrictions were applicable to the number of times an individual may change his or her educational program. We believe that the current law, regulations, and instructions provide sufficient latitude in allowing changes in a program of education or training. We likewise support the recommendation to incorporate a

counseling requirement into determinations on a request for a change of program beyond an initial change.

The Commission also recommended the removal of certain distinctions between degree and non-college degree programs. VA, in its response, acknowledged that certain requirements apply only to non-college degree programs such as absence reporting, effective dates, enrollment periods, and school reporting requirements.

During the past several years, technical and vocational non-college degree (NCD) courses have become more academically oriented, to the point where veteran students enrolled in these classes many times sit side by side in the classroom with students enrolled in degree (IHL) programs in accredited institutions. It is obvious in this high tech era, most if not all technical careers such as electronics and computers require a much greater amount of classroom instruction rather than reliance on traditional hands on OJT type training that once prevailed in technical and vocational training programs.

However, as a result of regulations promulgated many years ago, accredited degree granting institutions maintained standards of quality and attendance for each type of program which in effect discriminated against those veterans taking non-college degree courses by applying more stringent rules in the areas of course load measurement and attendance monitoring.

The American Legion believes that an inequity now exists in the application of regulations between these two types of programs. This problem is addressed in draft legislation included in VA's report. We would support the proposal to remove certain of these distinctions.

Another of the Commission's recommendations concerns the issue of whether continuing education courses should be approved for GI Bill benefits. It concluded that approval of any courses of this type should be consistent with the stated principle of the GI Bill that programs of education must lead to an educational, vocational, or professional goal. The Department concurs with this recommendation.

As noted in the Commission's discussion of its recommendation, the value or legitimacy of continuing education courses is not at issue. We share the view that the approval of such courses for veterans' educational assistance benefits would not be consistent with the stated purposes of the GI Bill program.

In its recommendations, the Commission supported the retention of those provisions of law and regulations concerning the two-year rule, standards of progress, and

the "85-15 rule." VA agreed with the Commission's position on the desirability of maintaining these provisions as a means to prevent abuses of the various educational assistance programs.

The two-year rule prohibits VA from approving the enrollment of veterans and other eligible persons in courses of education or training which have not been in operation for at least two years. The standards of progress criteria require that institutions seeking to be approved for the enrollment of VA students demonstrate that adequate records are kept to show the educational progress of each eligible veteran or person. Further, the institution's catalog or bulletin certified by the state approving agency submitted to VA must specifically state the progress requirements for graduation. Benefits are discontinued at any time the individual's conduct or progress is unsatisfactory under the prescribed standards and practices of the educational institution. The "85-15 rule" provides that veterans and other eligible persons may not be enrolled in any course in which more than 85 percent of the enrollees have all or part of their tuition, fees, or other charges paid to or for them by VA or by the educational institution.

The long-standing restrictions on the type of programs and courses which may be approved for veterans have been implemented over the years in response to instances of fraud and abuse by both institutions, training establishments, and in some cases individual veterans. The American Legion has been strongly supportive of the efforts of Congress and VA to ensure the continued integrity of the GI Bill programs and that eligible individuals continue to receive the educational assistance benefits to which they are entitled under the law. In our view, these measures have proved to be an effective deterrent to abuses of the system and have promoted programs of quality education and training for veterans and other eligible individuals. We wish to express our support of the recommendation to retain these provisions.

Mr. Chairman, that concludes our statement.

SEVENTIETH NATIONAL CONVENTION
OF
THE AMERICAN LEGION
LOUISVILLE, KENTUCKY
SEPTEMBER 6, 7, 8, 1988

RESOLUTION NO: 138 (NORTH DAKOTA)

SUBJECT: OPPOSE ANY PROPOSAL THAT WOULD CONSOLIDATE OR CENTRALIZE OPERATIONS OF THE VETERANS ADMINISTRATION REGIONAL OFFICES

COMMITTEE: VETERANS AFFAIRS AND REHABILITATION

WHEREAS, VA Regional Offices were established to provide a more expeditious method of providing services to veterans, their dependents and survivors; and

WHEREAS, Because of federal budgetary restrictions, VA Regional Offices are presently encountering difficulties in providing such services; and

WHEREAS, Any consolidation or reassignment of workload in VA Regional Offices would seriously inhibit and disrupt the veteran's ability to receive timely and responsible services from the VA; now, therefore, be it

RESOLVED, By The American Legion in National Convention assembled in Louisville, Kentucky, September 6, 7, 8, 1988, that The American Legion oppose any proposal to centralize or reassign veterans' claims processing services.

STATEMENT OF

JOHN C. BOLLINGER, ASSOCIATE LEGISLATIVE DIRECTOR

PARALYZED VETERANS OF AMERICA

BEFORE THE

SUBCOMMITTEE ON EDUCATION, TRAINING, AND EMPLOYMENT

OF THE

HOUSE COMMITTEE ON VETERANS' AFFAIRS

CONCERNING

THE REPORT OF THE COMMISSION TO ASSESS VETERANS' EDUCATION

POLICY AND THE RESPONSE OF THE DEPARTMENT OF VETERANS AFFAIRS

TO THE COMMISSION'S RECOMMENDATIONS

AUGUST 2, 1989

Mr. Chairman and Members of the Subcommittee, on behalf of the members of Paralyzed Veterans of America (PVA), I wish to thank you for this opportunity to appear here today and present our views concerning the recommendations made by the Commission to Assess Veterans' Education Policy.

The Commission's August 29, 1988, report entitled "Veterans' Education Policy", represents a comprehensive study of the administration of DVA educational programs and provides significant findings, reviews, and recommendations concerning assessments of such programs under the jurisdiction of the DVA. PVA has reviewed this document and we applaud the Commission for what is obviously an invaluable tool for the Department and the two Committees on Veterans' Affairs.

The Commission has made nineteen specific recommendations concerning DVA education policy. These recommendations were based on several assumptions and principals we believe to be most relevant in considering the entire environment in which DVA education programs operate. Among other things, the Commission has stressed the importance of adequate resources that will enable the DVA "to meet and sustain staffing, automated data processing, travel, training, and other needs." As we pointed out in recent testimony, the issue of adequate resources is the driving force behind the potential success of these programs and the recommendations made by the Commission.

* Benefit Delivery System Structure: In view of the devastating reductions in VBA staffing over the past decade, we believe the Department must consider alternatives to the present benefit delivery system structure. The actual processing of education claims may very well be accomplished more efficiently if done at a handful of large regions instead of all 58 regional offices. Individuals having "direct-line" responsibility for education programs and veterans benefits counselors, however, must continue to ensure that program participants are able to get assistance and advice at all of the regional offices.

* Certifications and Reports; Effective Dates: PVA is pleased the Commission has addressed the issue of certifications of attendance at institutions of higher learning and for non-college degree programs. We believe reporting requirements should be standardized for all trainees. Monthly "cert cards" have long been a source of check delays and confusion. Required signatures by school officials have also added to the delays. It is the responsibility of State Approving Agencies and DVA Regional Office personnel to ensure that proper oversight is maintained regarding individual school's enforcement of "standards of progress" requirements.

Although we endorse standardization for certifications, we are concerned about the Commission's recommendation which would authorize the Secretary to require monthly self-certification verifying pursuit of training. As we stated in our testimony before the Senate Committee on Veterans' Affairs on June 9, we are concerned about the volume of certifications flowing into regional offices every month and the effect that it will have on the delivery of benefits. The number of such certifications will clearly be significant as every student in every DVA education program will be required to submit one on a monthly basis. Obviously, the chance of an individual certification becoming lost, causing benefits to be withheld, will raise proportionately.

We are well acquainted with the problems associated with NCD "cert cards". When a certification is not promptly returned or, for a variety of reasons, not promptly processed, the subsequent check will be issued during the

course of the next month depending on the schedule of "pay cycles". A veteran is unable to rely on the check arriving at the beginning of the month. As the number of certifications is greatly multiplied by this requirement, there will be both increased delays and duplication of work when certifications are resubmitted because a check did not appear on time.

Although we understand that the St. Louis Regional Office has been able to successfully process such monthly certifications for the Montgomery GI Bill, we believe every effort should be made to avoid potential problems which we believe would be inherent in an initiative such as this one.

Summarizing this issue, we are most concerned that, given the large number of certifications required by this recommendation, the failure of the Department to receive and process a single certification from an individual will result in the suspension of the veteran's education benefits. This, we believe, is a severe penalty for the student to pay. The non-receipt of a check coupled with subsequent action to reinstate the award results in considerable delay before benefits are resumed. In addition, the unpredictable delivery date of benefit checks due to delays in processing times will cause duplication of work.

Regarding adjustments in benefits under all chapters that are required because of changes in training time, PVA supports the Commission's recommendation. We can endorse the concept that the effective date of an educational benefits adjustment based on a change in a student's course load should be the date of change rather than, as under current law, the end of the month in which the change occurs. In the event of an increase in course load, the student will receive additional benefits to help defray the cost of the course. In the case of a reduction in course load, the net result will be "saved entitlement." We believe this recommendation is in the best interest of all concerned.

* Changes of Program Limitations: PVA supports the recommendation which replaces the "changes of program" limitation with counseling requirements. As you know, veterans and other eligible beneficiaries are generally limited to one change of program. In some restricted cases, additional changes may also be made.

In view of the small percentage of students who change programs beyond the initial change, we agree that there is little justification for this adjudication process. Most importantly, under the current system a veteran can quite possibly be denied a second change of program even though the change is appropriate.

We do have some concerns about this recommendation, primarily in regard to staffing requirements and increased workloads. We are concerned that veterans will be forced to wait long periods of time before they are able to see a counselor. We also understand the DVA's concern about potential abuse and, therefore, suggest that this recommendation be closely monitored if enacted.

Since the vast majority of participants potentially affected by this recommendation (chapters 30 and 32 participants) have made financial commitments to their educations, we believe there will be a minimal amount of unnecessary course changing by these individuals. The number of those who benefit by such liberalization will, we believe, far exceed those who abuse it.

* Compliance Surveys and Supervisory Visits: We concur with the Commission's recommendations, however, we believe all institutions should be encouraged to request DVA survey visits whenever they believe it would be helpful. The Department should be prepared to offer such assistance.

* Counseling and Support Services: We agree with the Commission's assessment that all DVA education programs could be used more efficiently by the participants if these individuals were routinely counseled prior to or at the outset of their training. As you know, individuals who are interested in counseling services may currently request such assistance when they submit their initial application for training. This practice, however, has not gotten much publicity from the Department.

Obviously, such required counseling will take another heavy toll on staffing requirements. We note that the Commission believes the counseling could be in the form of "clear, written information with more substantive counseling and assistance upon request." At the time of counseling, we

suggest that another one of the Commission's recommendations be discussed with the participant - that the DVA intends to be aggressive in its efforts to collect justified debts due to education overpayments and abuse of the program. In any case, appropriate FTEE must be made available if this recommendation is to be successful.

* Debt Recovery and Fraudulent Claims: The DVA has an obligation to the American taxpayer and to the integrity of its education programs to collect justifiable debts. As we suggested above, we believe that required counseling would present an excellent opportunity for the Department to make clear its intent to be aggressive in its effort to collect such debts and ensure GI Bill benefits are not abused.

* Distinctions Between Non-College Degree and Degree Training: As you know, there are presently a variety of differences in the way the Department treats such curricula. The main differences are the distinction between attendance reports and the distinction between credit-hour vs. clock-hour measurements. We believe the removal of these differences is long overdue. As we suggested earlier, the standardization of the various types of training measurements should be made to every extent possible.

* Mitigating Circumstances: Individuals may be excused from repaying benefits after withdrawing from a course if the withdrawal was due to any of a variety of mitigating reasons. We agree with the Commission's recommendation that making or changing child-care arrangements should be included as one of the acceptable mitigating reasons.

* Remedial, Deficiency, and Refresher Training: PVA supports this recommendation which would authorize and make standard such training for Chapter 30 and Chapter 106 participants. As we stated in our testimony last year, we also believe that such training should not be counted against one's original entitlement.

* Reporting Fees: The ability and willingness with which institutions approach the voluminous task of providing certifications, records, and reports to the DVA directly affects the quality and timeliness aspects of benefit delivery. Since the Department can not provide staff to maintain veterans' records on campus, this responsibility becomes that of the institution.

It is, therefore, we believe, in the best interest of the DVA to pay realistic reporting fees to institutions to help offset the growing costs of providing such administrative work for the Department. In the absence of such fees, increased costs to the schools will simply be passed on in the form of increased tuitions and other costs to the student. The DVA will eventually foot the increased bill for tuitions, books, and fees of Chapter 31 participants. Institutions will also become reluctant to provide this service. For this reason we believe it is proper for the Department to include Chapter 31 participants when counting the number of DVA beneficiaries who are enrolled at an institution.

* Restoration of Pay Reductions: This recommendation represents a compassionate and fair response to a situation where a Chapter 30 participant dies before being able to use the educational benefits to which he has contributed. PVA supported legislation last year which would have permitted the restoration of the pay reduction in cases of death or catastrophic disability occurring on active duty. We continue to offer our support for this measure.

* Standardization: The Commission has pointed out that there are now ten distinct and separate education programs for which the DVA has administrative responsibility. There are numerous inconsistencies in these programs, many of which are unexplainable and serve no purpose. We, therefore, agree with the Commission that the different features of the various education programs should be standardized to every extent possible, consistent with their design and purpose. Having accomplished this mission, the administration of DVA education programs should be an easier task. Since there will surely be disagreements on how these various features should be standardized, we recommend that the DVA first identify all the differences and that the Committees on Veterans' Affairs then incorporate standardization of these items into future legislative initiatives.

* Training and Associated Administrative Resources: PVA's position on this issue is well documented in numerous testimonies before both Committees on Veterans' Affairs and the Independent Budget. Centralized training is definitely preferable over local, ad-hoc, informal training conducted by journeymen adjudicators on a piecemeal basis. Such centralized training

results in more consistent interpretations of title 38 and provides the regional office with fully productive new employees much faster than local training.

Secondly, the prioritization of sophisticated and enhanced ADP capabilities is critical to the ability of the Veterans' Benefits Administration to carry out its mission of providing prompt and efficient service. This issue, with which we are all familiar, must receive the necessary attention and funding needed to bring DVA management information services out of the Dark Ages. As FTEE continue to be cut in the name of "modernization", veterans waiting for their benefit checks will be the ultimate losers.

* Home Study Courses: Although the Commission has made no formal recommendation regarding the vocational value of correspondence-home-study courses, PVA wishes to point out that such courses provide an extremely important educational tool for severely disabled veterans who are housebound.

* Work-Study Program: PVA supports the recommendation to require work-study allowances to be based on the higher of the Federal hourly minimum wage or the applicable State hourly minimum wage in which the veteran/student services are provided. We believe this would help to ensure that quality work-study students are attracted to these positions in states that have higher minimum wage scales.

We also support the Commission's recommendation to extend work-study benefits to those survivors and dependents who are pursuing educational programs under Chapter 35. We believe that the current priority for the participation of service-connected veterans in the work-study area should not be changed.

Mr. Chairman, that concludes my testimony. I will be pleased to answer any questions you may have.

**TESTIMONY OF CONGRESSMAN DOUGLAS H. BOSCO
BEFORE THE VETERANS AFFAIRS SUBCOMMITTEE ON
EDUCATION, TRAINING AND EMPLOYMENT, REGARDING
THE DEPARTMENT OF VETERANS AFFAIRS' WORK-STUDY PROGRAM**

August 2, 1989

Thank you, Mr. Chairman, for giving me the opportunity to testify before the subcommittee today regarding the Department of Veterans Affairs' work-study program. I appreciate the committee's willingness to examine this issue.

The subject I would like to address today was brought to my attention by a constituent of mine from Eureka, California, who feels that there is an inequity in the work-study program.

The Department's current work-study program permits full-time student/veterans to perform employment services and receive an additional compensatory allowance. Under the current program, a veteran can work up to 250 hours per semester or quarter during the academic year.

Educational institutions under the three quarter system allow veterans to receive a maximum amount of 750 hours of benefits. However, veterans attending institutions under the two semester system are restricted to between 500-625 hours, depending on the length of abbreviated summer sessions.

Increasing the number of work-study hours granted to those veterans attending semester-system universities would create a more level playing field. The Department of Veterans Affairs has argued against such an increase based on the belief that 375 hours per-semester would place too severe a burden on the student/veteran. An examination of the number of work-study hours per week already allowed under the quarter system indicates that the VA's concern is not justified.

Currently, a veteran on the 10 week quarter system is permitted 250 hours of benefits or 25 hours per-week. Conversely,

the same veteran on a 15 week semester system is allowed only 250 hours of benefits or 16.7 hours per-week. It seems clear that allowing semester-school veterans to work 25 hours a week would not create a greater burden for them, but would merely allow them to earn the maximum amount of benefits permitted under the law.

In the State of California alone, 13 of the 19 state university campuses are on the semester system. As a result, a large number of deserving veterans do not receive full benefits.

I would hope that the Committee can review this important program and make the necessary changes to allow all veterans to receive benefits to which they are entitled. Again, I thank the committee for its time and attention.

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Statement of John W. Davis, Vice President for Student Services, Asheville-Buncombe Technical Community College, Asheville, North Carolina; James A. Kiser, Jr., Coordinator for Student Services, South Carolina State Board for Technical and Comprehensive Education, Columbia, South Carolina; and Julie Harden, Coordinator of Veterans' Affairs, University of South Carolina, Columbia, South Carolina, before the Committee on Veterans' Affairs, United States House of Representatives, August 2, 1989.

Mr. Chairman and members of the Committee, we are pleased to have the opportunity to present our views on important issues concerning our veterans. We represent approximately two hundred two- and four-year colleges in North and South Carolina.

We would first like to address the report of the Commission to Assess Veterans' Education Policy; but with consideration for your time, we will not elaborate on each issue. We concur with the vast majority of the Commission's recommendations, so we will address only those issues we question and those we strongly support.

We are pleased that the Commission recommended the abolition of the limit on the number of changes of program a veteran can make. Career choice is one of the most difficult we face, and veterans are no exception. (The average college student changes majors three times.)

Abolishing the limit on program changes MUST be accompanied by the requirement for counseling prior to a second change of program. We feel strongly, however, that the VA should approve recommendations from QUALIFIED school counselors. Regional accreditation standards require schools to provide professional counseling services to their students, and these counselors are routinely involved in assisting students in career choices. Testing of interest, aptitude, ability, and achievement is available; and the results of these tests aid in determining suitable options for students. It makes little sense educationally or economically to have a veteran travel to a regional office or elsewhere for a brief interview with a total stranger who has limited knowledge of the veteran and his objectives. As the Commission report indicates, new student veterans will likely be more serious and mature; and anticipated abuse should be minimal.

We concur with the Commission's recommendation regarding recovery of overpayments. It is our strong belief that overpayments will virtually be eliminated if monthly certification is required. It should be noted that the overpayment problem began when Congress authorized prepayment and advance payment of benefits; and, simultaneously, the requirement for monthly certification cards was removed. We have recommended repeatedly

that monthly certification be reinstated and that cooperation of other governmental agencies be mandated for debt recovery. Nothing else is as affective.

We are very pleased that the Commission saw fit to recommend the removal of arbitrary distinctions in the treatment of degree and non-degree programs. We must keep in mind that it is student veterans who are being treated unjustly by these distinctions simply because of their choice of a career. It is also gratifying to note that the VA made proposals to rectify the inequity in absence reporting for veterans enrolled in NCD programs. To illustrate just how unfair the current system is, we offer the example of a veteran in a NCD program in a North Carolina community college. The veteran maintained perfect attendance; yet due to the school's schedule of holidays, class breaks, etc., the veteran was charged with two days excessive absence. To compound this absurdity--since he was paid on the basis of a thirty day month and repayment for absences was based on a twenty day month--he actually had to pay back three days instead of two. All of this while having perfect attendance.

We cannot agree with the Commission's first recommendation regarding measurement. They recommend that the rate of benefits be based on progress rather than rate of pursuit. Due to the great diversity of programs concerned, we feel that this change would create tremendous administrative problems for schools and a monitoring nightmare for the VA.

We strongly agree that state approving agencies determine what constitutes an approved program. These agencies as units of state systems should be in the best position to have certain knowledge of program content, quality, and reputation. Further, SAA's are available to assist schools with compliance should a school need such assistance.

We should now like to address the issue of credit-hour measurement alluded to in the second recommendation under "measurement." This change is long overdue. At a time of budget reductions and the resultant loss of personnel by the VA as well as our colleges, the most recent change in measurement recommended by the VA and adopted by Congress provides for four possible methods of measurement. Four methods are not needed, do not solve the problem, and create and administrative nightmare. Even VA officials who wish not to be identified state their desire to see changes made.

The four methods currently authorized are standard credit-hour measurement, mixed measurement, clock-hour measurement (with four variations), and alternate credit-hour measurement. In the event you find this confusing, take heart, you are only one of many.

We will address only the standard credit-hour measurement, because it is most needed and is the only one that is equitable with recommended deletion of the "test" that is now required.

The following is extracted from the VA's DVB Circular 20-87-7, Appendix A, entitled "Measurement of Non-Degree Courses at Institutions of Higher Learning."

4. Requirements for Standard Credit-Hour Measurement Category. An undergraduate level NCD program taken at an institution of higher learning will be measured on a purely credit-hour basis if:

   a. The program is offered by a fully accredited institution of higher learning. By "fully accredited" the VA means fully accredited by an accrediting agency recognized by the Secretary of Education as provided in Sec. 1775(a) of Title 38, USC.

   b. The courses in the program are offered in residence on a standard quarter- or semester-hour basis. This means that the class schedules for these courses provide at least one standard class session each week for each credit hour. (A standard class session is defined as one hour (or fifty-minute period) of academic instruction, two hours - 120 minutes - of laboratory instruction, or three hours - 180 minutes - of workshop training.) This scheduling requirement is considered met if each course in the program is offered during the ordinary school year as defined in 38 CFR 21.4200(b) on a schedule which meets the minimum standard class session requirements. Entitlement to standard credit-hour measurement is not affected by the fact that some course schedules may exist during the summer term which provide insufficient classroom training.

   c. The program is approved under Sect. 1775 of Title 38 (i.e., approved as an accredited program).

   d. The program meets the new majority test. Under this test, a majority of the total credits required in the NCD program must be derived from unit courses or subjects offered by the same institution as a part of at least one particular standard college degree program. If the NCD program includes elective courses, all possible combinations of courses that the student could take within the program must meet the majority test.

The "test" in effect says that a noncollege degree curriculum can only be acceptable if it is transferable to a degree program. This is, on the surface, totally absurd. Suppose the degree program itself is of poor quality? What is the justification for such a "test"? Keep in mind that accrediting agencies accredit the entire college not just the degree programs.

It is very difficult for us to understand the reluctance of some people to realize and accept the fact that vocational education no longer needs the extensive monitoring that was dictated immediately after World War II. Had our colleges been as reluctant to change as has the VA, this Nation would have suffered greatly.

The solution is simple. We must adopt the credit-hour formula outlined in paragraph 4b--but recognize the standard 50 minute "hour" in laboratory instruction and workshop training--of the DVB circular and omit the "test" outlined in paragraph 4d. The credit-hour formula specified in 4b with the above adjustment will dictate more than adequate contact hours. The VA states that further study is needed before changes are made. While there may be certain areas of measurement that need additional study, the IHL/NCD credit-hour issue is not one of them. We first brought this inequity to the attention of the VA in 1971 and to Congress through testimony before the House Committee on Veterans' Affairs in 1973 and the Senate Committee in 1974. The masterful move by the Senate Committee in appointing the Commission to Assess Veterans' Education Policy was designed to study these issues. The composition of the Commission was outstanding in our judgment since it represented all segments involved with veterans education. We feel that the Commission did a superb job, and its recommendations are the most comprehensive and sensible we have seen in our nearly twenty years of involvement with these issues. We submit that enough "studying" has been done, and it is now time for action.

The VA expresses concern that "industry standards and strong accreditation procedures" should be present before changes are made. We agree with this belief and submit that these standards and accreditation procedures are in place and have been for a number of years. If the VA and/or Congress has a problem with any accrediting agency standards, then the Office of Education, which approves accrediting agencies, should be contacted.

The credit-hour formula applied equally to NCD and IHL courses in accredited institutions which offer both types of courses will solve many problems. These institutions are in the majority and the old fly-by-night vocational schools are largely history. Should there be institutions which are found "cheating" consistently or which fail to maintain standards, then

state approving agencies should withdraw their approval. We do not feel that undue restrictions should be placed on all veterans in NCD programs simply because a few disreputable schools might attempt to "beat the system."

We are pleased that the Chairman of the Senate Veterans' Affairs Committee, Senator Alan Cranston, has introduced legislation (S-1092) which will implement many changes recommended by the Commission. We were privileged to present testimony to the Senate committee in support of S-1092, and we urge this Committee to support similar legislation. We also request that the Committee support the inclusion of a provision which will enable accredited colleges which offer both NCD and IHL types of courses to measure both on a credit-hour basis. It should be noted that credit hours are the standard unit of measurement in most such schools. We feel that these measures are essential to the fair treatment of our student veterans.

We thank the Committee for the opportunity to present this testimony.

STATEMENT OF
THE MILITARY ORDER OF THE PURPLE HEART
BY
ROBERT L. ALVAREZ
NATIONAL SERVICE DIRECTOR
BEFORE THE
SUBCOMMITTEE ON EDUCATION, TRAINING AND EMPLOYMENT
VETERANS AFFAIRS COMMITTEE
U.S. HOUSE OF REPRESENTATIVES
ON
THE REPORT OF THE COMMITTEE TO
ASSESS VETERANS' EDUCATION POLICY
PURSUANT TO PUBLIC LAW 99-576
AUGUST 2, 1989

Mr. Chairman and members of the subcommittee, the Military Order of the Purple Heart appreciates this opportunity to present our views on the Commission's report and the Veterans Administration's response.

First, we must extend our congratulations to the Commission for its professionalism and depth of analysis contained in its report. The recommendations are sound with great clarity.

The veterans education, training and employment must always have one prime consideration, "The delivery of benefits in the most expeditious manner possible".

Failure to do this, results in overpayments because the veteran must drop from the program due to failure to receive timely benefits. The more complex the system, the more chances there are for benefits to be suspended or terminated for failure of the school or veteran to understand the system. Again, this causes drop-outs and overpayments.

Gentlemen, each of you can relate horror stories how some of your veterans have been caught in a "Catch 22" type situation. Where seemingly senseless VA rules trapped a veteran in a snarl of paperwork from which there is little hope of rescue.

For years the Congress and the Department of Veterans Affairs have been initiating rules and regulations to prevent the large overpayments occurring in veterans' accounts. I believe that the real cause was overlooked. I have honestly seen only one veteran try to defraud the DVA out of education benefits. That's a pretty good record for a man who has filed and also adjudicated thousands of education claims of all types.

Although, many might say that regional education processing and adjudicating concept of the Commission may not work and that could be true. The recommendation is worthy of serious thought and trial. The soundness and rationale behind this is excellent. If this could be brought to maturity, it could lead to regionalization of compensation and pension claims. Eventually, standardization of adjudication of every type of claim.

The DVA has initiated some inroads into the committee's recommendations. However, the Commission's recommendations call for a far-sighted over-haul of the delivery and adjudication system, not a band-aid type treatment.

The DVA still has somewhat of a problem with the Commission's position on changes of program. It is the Military Order of the Purple Heart's position that these are earned benefits by the recipient. Changes of program restrictions do not serve any useful purpose except to harass, discourage veterans, and generally cause resentment of the system. Many students under other government programs change programs as they change jeans, with no such restrictions. Why does the DVA continue to insist on this needless regulation. If the veteran is maintaining satisfactory progress in his studies (there is a regulation dealing with unsatisfactory progress) there is no reason that can be seen to object to any change. Unless, the DVA wishes to limit the amount of benefits earned by a veteran.

The MOPH would also like to see the DVA institute the minimum wage to veterans who are placed into federal, state or local government employment under the Vocational Rehabilitation Program, instead of the vocational training subsistence rate they are now paid. The subsistence rate amounts to approximately 1.75 per hour. This does not cover lunch, transportation and appropriate dress costs. However, this is a point Congress must address. The problem must be resolved by Congress itself and not the DVA.

This all can be accomplished by Congress and the new Secretary of the Department of Veterans Affairs. The Military Order of the Purple Heart is convinced that under his leadership and the quality of personnel on his staff that the cobwebs left from the previous administrator can be swept away. A strong recommendation for a return to centralization of leadership and authority, with an end of decentralization of authority, will lead to better program management.

Thank you for this opportunity to submit our views.

THE SECRETARY OF VETERANS AFFAIRS
WASHINGTON

Honorable G. V. (Sonny) Montgomery
Chairman, Committee on Veterans' Affairs
House of Representatives
Washington, D.C. 20515

Dear Mr. Chairman:

Enclosed please find the Department's responses to questions raised by Representatives Christopher H. Smith and Timothy J. Penny, following the August 2, 1989, hearing on the Education Policy Commission Report. A copy of these responses has been provided to Representatives Smith and Penny.

Sincerely yours,

Edward J. Derwinski

Enclosure

WRITTEN COMMITTEE QUESTIONS AND THEIR RESPONSE

Questions From Chairman Timothy J. Penny
Subcommittee on Education, Training and Employment
From Hearing of August 2, 1989

Question 1. Both the Commission and NAVPA commented on the current DVA work-measurement procedures which, according to NAVPA, emphasize quantity. Is consideration being given to revising the work-measurement procedures?

Answer 1. One of VBA's foremost concerns is the quality of our benefits processing. As part of our program of quality control, higher level personnel at our field stations review completed work and call any errors to the attention of the claims examiner. Central Office personnel also call in cases for review; and make suggestions for needed improvements to the directors of our field stations. Work measurement, on the other hand, deals with the length of time it takes to complete work on the various types of awards. As such, revision of our work measurement standards would not necessarily affect the quality of the work being done. We can report that as the result of a recent study, Adjudication Division work measurement criteria have been revised. New standards are now in place, and we do not anticipate a further revision of the standards in the immediate future.

Question 2. Testimony has been submitted for the record by Mr. John W. Davis of Asheville-Buncombe Technical Community College, Asheville, NC. In his statement he points out that the IHL/NCD credit-hour issue is not an area that requires further study. Additionally, he recommends that the Committee support a provision which would enable accredited colleges, which offer both NCD and IHL types of courses, to measure both on a credit-hour basis. What is your objection to this recommendation?

Answer 2. The area of IHL/NCD measurement is very much in need of further study, as the Commission To Assess Veterans' Education Policy itself recommended regarding "mixed measurement." In its final report submitted July 27, 1989, to the Committees, the Commission points out "that the very complicated and unwieldly issue of 'mixed measurement' cited in both the Commission's report and VA's response (page 112 of report and page 47 of response) would be significantly ameliorated by adoption of a policy along the lines of VA's proposal." (Commission final report, pp. 19-20) The Commission strongly endorsed VA's efforts and objectives for examining these complex measurement issues in greater detail and in view of alternative approaches. A VA task force is presently examining the measurement issues raised not only by the Commission but by others such as Mr. Davis. Until such time as this task force has completed its review, we must defer taking a position on the second recommendation to permit accredited colleges to measure both NCD and IHL types of courses on a credit-hour basis.

Question 3. NAVPA supports the recommendation that a change in status be effective on the date of event, but suggests that only those changes which affect pay status should be included. Would you support this suggestion?

Answer 3. Although we would have no immediate objection to this approach, it does little to streamline or help in the

Questions From Chairman Timothy J. Penny

standardization of the administration of the various education programs. Generally, those changes in status of students that are to be effective on the date of the event will involve payment matters anyway. Even though these instances are what is envisioned in proposing a "date of event" rule, we would prefer not to use such specificity.

Question 4. It is my understanding that the decentralization of Montgomery GI Bill processing took place July 1. Would you please tell us how this was accomplished - for example, notification of schools, transfer of files - and how the fall processing is progressing?

Answer 4. Computer generated listings and extract tapes were picked up from the Hines, Illinois Data Processing Center. These listings were used to identify cases that should be under the jurisdiction of one of the three Regional Processing Offices (RPO's) other than St. Louis. Personnel in St. Louis boxed these cases and sent them to the RPO of jurisdiction.

The transfer of folders was a well-controlled process which began on June 19, 1989. The St. Louis Office worked closely with the United Parcel Service to ensure prompt pick-up and delivery of all boxed folders. Receiving stations were also notified when to expect receipt based upon UPS' schedules.

In addition, each affected veteran was notified that his or her folder was being moved from St. Louis to one of the other RPO's. The Education Liaison Representatives, during the spring of this year, notified all schools within their jurisdiction of the change in responsibility for processing. The Target system will issue a letter to each school whenever an original award is processed for a student at that school. The letter encourages the school to use the appropriate RPO address on future documents.

We anticipate an increase in the number of chapter 30 students in the fall 1989 term, and we began planning for the increase even before we decentralized chapter 30 processing. Claims examiners from the RPO's were called in to our St. Louis Regional Office where they were given one week of intensive training by both Central Office personnel and St. Louis claims examiners. Approximately one month after decentralization Central Office personnel visited each new RPO. There they identified potential bottlenecks in the RPO chapter 30 claims processing procedures, and worked with RPO personnel to eliminate them. Thus, while it is still too early to give a final assessment of the fall enrollment processing, we are confident that it will be done as smoothly as possible.

Question 5. I was pleased to hear that you have already started on some of the Commission's recommendations. In particular I was interested in the publication of the manual which was done in conjunction with the American Association of Collegiate Registrars and Admissions Officers. What was the distribution of this manual? How often do you plan to update and distribute the changes to this manual?

Questions From Chairman Timothy J. Penny

Answer 5. The manual, "Certification of Students Under Veterans' Laws" was distributed by AACRAO to all of its members. VA purchased 16,000 copies from AACRAO which were sent to each of VA's 58 regional offices for distribution to each educational institution approved for veteran's training in that jurisdiction. As a result, every school certifying official responsible for advising and certifying students to VA for education benefits should have received a copy. In addition, DANTES (Defense Activity for Non-Traditional Education Support) is in the process of purchasing copies from AACRAO that it will send to education service officers on military bases worldwide. We have already drafted the first update to the manual to reflect the recent change in the processing of Chapter 30 claims to regionalized processing offices and to clarify several minor points. AACRAO is currently reviewing this update, and we expect distribution to begin early this fall. Other updates will be issued as needed, such as after legislation is enacted effecting a change to the programs.

Question 6. In the Commission's July 27th report, it is stated that according to Department statistics, in 1988, less than three percent of all trainees made a second or subsequent change. In view of the low percentage of changes, is it your position that by having the change of program limitation in the law, veterans are knowingly staying with their selected program and without it they would not?

Answer 6. The statistics cited are based on work measurement reports using that particular "end product code" where the primary issue identified by the claims examiner was a second or subsequent change of program. We believe the figure is low and is not necessarily accurate or indicative of the actual total number of persons who might have been affected by the second or subsequent change of program requirements. Unfortunately, we have no other data upon which to base a statistical judgment. It may very well be that veterans are knowingly staying with their selected program by virtue of the change of program limitation. It may very well be, also, that veterans are making more conscious efforts to ensure that they enroll in programs of education that are suitable to their aptitudes, interests, and abilities by virtue of the change of program limitation. If it were not for the limitation, there is a possibility that persons would enroll in courses or programs at random without ever making progress toward a predetermined and identified educational, professional, or vocational goal.

Question 7. PL 101-56 delayed the effective date for implementation of the Computer Matching and Privacy Protection Act until January 1, 1990. Has a determination been made whether the data exchange with DOD in order to establish eligibility or confirm continued eligibility for MGIB comes within this Act? If so, what action has been taken to allow continued access to the data?

Answer 7. No determination has yet been made whether the MGIB programs come within the Computer Matching and Privacy Protection Act. A request to OMB from VA General Counsel for a formal review and opinion is expected in the near future.

Questions From chairman Timothy J. Penny

Computer matching activities in all education programs have been included in VA's extension of implementation provided by PL 101-56, pending OMB's determination. Processing of MGIB claims is continuing under existing procedures.

Question 8. In the Commission's report, reference is made to creation of an Adjudication Academy. Will you please tell us about this training?

Answer 8. At its inaugural in February 1990 and continuing for two additional 6-week sessions in April and July, the Adjudication Academy will offer wide-ranging training to newly hired adjudicators. Present plans call for training in the compensation and pension area as well as limited training in the active education programs.

We intend to conduct the training in an atmosphere similar to a regional office environment so that trainees become familiar with office operations and physical layout during their training.

Each session should consist of 30 newly-hired adjudicator trainees. Lesson plans are being developed, training equipment purchased, and instructors selected. The anticipated site for the three initial sessions during FY 1990 is the Xerox Training Center near Leesburg, Virginia.

Questions From Representative Christopher H. Smith
Subcommittee on Education, Training and Employment
From Hearing of August 2, 1989

Question 1. The Commission has suggested that in order to increase participation in the work-study program, the VA provide for increased pay and expand eligibility to chapter 35 and 106 participants. In your interim report you do not take a position concerning the expansion of eligibility to chapter 106 participants. At this point, what are your feelings regarding this proposal?

Answer 1. Our opinion is that chapter 106 students will not be a significant source of candidates for the work-study program. Members of the Selected Reserve and the National Guard, in most cases, have full-time employment. In addition, educational assistance under chapter 106 is payable for the pursuit of an undergraduate or noncollege degree program at an institution of higher learning and eligibility would require full-time pursuit by the reservist under that chapter. Further, the reserve member must continue to satisfactorily participate in the Selected Reserve. Thus, the total of such demand on the reservist's time would leave minimal opportunity to engage in the work-study program.

Question 2a. What was the purpose of the Booz, Allen, Hamilton study when a comprehensive study of all educational programs was already completed by the Commission?

Question 2b. How much did the Booz Allen, Hamilton study cost?

Answer 2a. Section 219 of title 38, U.S.C., mandates the Secretary of Veterans Affairs to evaluate on a continuing basis the impact of all programs authorized under title 38, in order to determine their effectiveness in achieving stated goals in their impact on related programs, and their structure and mechanisms for delivery of services. The Department of Veterans Affairs (VA), Office of Program Analysis and Evaluation, contracted with Booz, Allen and Hamilton, Inc. to perform a management assessment of the chapter 30 program, as part of their continuing review of all programs. The study focused on VA's administration of the chapter 30 program. The final report concluded the program is being administered effectively by VA.

Answer 2b. The study cost $124,406.

Question 3. What is your position on the Commission's recommendation to modify the requirements that institutions report changes in status within 30 days of the date of the event to within 30 days of the date on which the institution has knowledge of the event?

Answer 3. Previous studies, such as the 1987 report of VA's Office of Program Analysis and Evaluation, recommended that beneficiaries be required to verify their pursuit to VA monthly in order to receive payment for that month. This recommendation is currently being tested with chapter 30 enrollees, and an

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Questions From Representative Christopher H. Smith

evaluation of that test should be completed by early Fall of this year. Although schools are still required to report enrollment changes within 30 days of the date of the change, overall, it would appear that the monthly certification approach could balance VA's need to avoid overpayments and at the same time limit the burden on educational institutions. We prefer, however, to take no position on the recommendation regarding the school reporting date requirement until that study has been completed, since changing the reporting date requirement would be contingent on the analysis of the effectiveness of the self-certification test.

Question 4. On page four (4) of your testimony, you state "the actual implementation of such a procedure to require self-certification on a monthly, or other basis, depends on the results of our current study of chapter 30".

Is there an additional study of chapter 30 besides the Commission report, and the Booz, Allen, Hamilton Report?

Answer 4. The Department of Veterans Affairs, Vocational Rehabilitation and Education (VR&E) Service has been conducting a study of the impact of self certification in the chapter 30 program. This study is a two year project due to be completed at the end of September 1989, and is referenced in question 3.

Question 5. How do you intend to standardize the different features of the various educational assistance programs to the maximum extent possible but consistent with the program's design and purpose, as recommended by the Commission?

Answer 5. At the present time an education policy task force is examining that issue in depth. This task force, comprised of various veterans' claims examiners and education liaison representatives from several VA field stations as well as program administration and policy staff members at Central Office, held its first meetings in August and will meet again in October. Subsequently, we will confer with education groups. Before any analyses can be made regarding standardization, all the areas of distinction among the various education programs must be identified and evaluated. We must defer any action on this recommendation until the education policy task force has completed its study.

National Association of Veterans Program Administrators

NAVPA

LYNN DENZIN, PRESIDENT

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August 17, 1989

Ms. Jill Cochran
House Veterans Affairs Committee
335 Cannon House Office Building
Washington, DC 20515

Dear Jill:

Attached is my response to the questions resulting from the Hearing of August 2, 1989. You had requested this information yesterday, however this is my first day back at work. Hopefully you have received the FAX copy by the time you read this.

If you would like any clarifications, or additional information, please let me know.

I'll be in Washington on the 27th of September for the VA Educational Advisory Committee meeting. We'll be meeting to discuss recommendations from the VA Task Force who are responding to the Commission report. Perhaps I can see you while I'm there.

I'll look forward to hearing from you.

Sincerely,

Lynn

Ms. Lynn Denzin

RESPONSE TO QUESTIONS FROM HEARING OF AUGUST 2, 1989
MS. LYNN DENZIN, PRESIDENT OF NAVPA

1. Your suggestion that refresher training be limited by a set number of total hours rather than a number of months in which the benefits may be utilized is a good point. What total number of hours do you think would be reasonable?

In discussions with colleagues in higher education who are involved in Financial Aid, I have found that the US Department of Education considers a total of 45 semester hours as allowable for remedial enrollment. This is considered the equivalent to one calendar year of credit - three terms each at 15 semester hours. These hours are not required to be taken at one time, but may be interspersed during the student's college career.

With relation to receiving veterans educational benefits for enrollment in remedial/refresher training, I would suggest that at least 30 total hours of credit be considered. Following the US Department of Education logic, this would be the equivalent of two terms of full-time credit. I also support the concept that the courses can be taken in conjunction with regular degree credit courses as the need is determined by the educational institution.

2. One of the Commissioners submitted a separate view regarding reporting fees. He pointed out that a significant portion of the costs incurred by institutions is associated with their continuous certification responsibilities. Accordingly, ending those responsibilities in favor of veteran self-certification would reduce costs and paperwork, thus eliminating the justification for an increase in the reporting fee. How would you respond to this view?

Within the dissenting view written by Commissioner Wickes concerning the self-certifications, is his recommendation that the monthly self-certification should supplant - not supplement- institutional certifications. Additionally, the recommendation follows that institutional responsibility and liability would be reduced while retaining the current fee amount.

The only circumstance under which NAVPA would agree with this premise is if the DVA eliminates all institutional responsibility and all potential liability. If institutions are, in any way, required to monitor and report specific information on student veterans then they should be compensated for that requirement. The cost of doing business has dramatically increased in all institutions since the last increase in the reporting fee amount. Any type of monitoring and reporting involves expensive computer time and personnel time. The reality of past experience indicates that the DVA would be very unlikely to absolve the institutions from the responsibility of initial certification, changes of hours and programs, and withdrawals; as well as the many other detailed reporting requirements.

3. I think the recommendation to include Chapter 31 students when calculating reporting fees may be a good one. In your statement you indicate that disabled student veterans often require special services from schools that are beyond those necessary for other veterans. What are some of those special needs?

In discussions with my colleagues in Veterans Services I find that most institutions do very nearly the same amount of checking for Chapter 31 veterans on adjustments, withdrawals, and grades that are done for all of the other chapters of educational benefits. Additionally, there are handicapped student services that are a requirement for many of the disabled veterans. These include, but are not limited to, special services and classroom considerations for hearing and vision impaired, wheel chair accessibility, and library facilities. There are additional billing services provided by each institution, and coordination of the purchase of books and supplies. Some institutions also create and duplicate forms common only to the Chapter 31 students.

4. If an "educational ombudsman" is stationed at each regional office, would not this person be the schools first contact therefore negating the necessity of a toll free number to the processing center?

If the question is a choice between an "ombudsman" at each regional office versus a toll free number to the processing centers, I think most institutions would prefer the regional office ombudsman. The requirements for the ombudsman to operate most effectively would be training and expertise in the area of Montgomery GI Bill benefits; sole access to a terminal for immediate on-line file information; information be entered by the processing center in a timely fashion (within two weeks); and adequate training in the reading of available screens. With this support and information available, the ombudsman should be able to answer most questions which would arise concerning the veterans claim and payment.

5. In your statement you stress that DVA should notify schools when their students report a change of status. Since schools are required to report all changes of status to the DVA, why would it be necessary for DVA to notify schools of the reported changes?

It is correct that schools are charged with accurately reporting of student veterans records. The schools should be included in the "loop" of information in order to verify the validity of any information reported by a student. If there is a discrepancy between what a school has reported, and what a student has self-verified, it could be due to a misunderstanding on the part of the student. The student could be reporting information which is not in compliance with DVA regulations and it is the schools responsibility to review and determine the accuracy of information reported by the student. The school should always have the opportunity to review the appropriateness of changes and updates as reported by a student. During the Spring term, at least one case is known where a student verified they were attending on a full time basis; the school had certified the student three-fourths time; the DVA paid the student full-time benefits. Had the school been informed of the discrepancy, the over-payment of benefits would not have occurred. Similarly, any reported decrease by the student should be reported to the school and appropriate determination made by the school officials.

6. Instead of having the DVA compute reporting fees on the actual number of student veterans enrolled in an institution on October 31 of each year, would taking the average number of veterans in training during October provide a more accurate number? Also why should a higher rate be paid for advance pay enrollments since generally the schools benefit by having tuition and fees promptly paid?

It is not immediately seen how an average for the month of October would be a more accurate count. Perhaps examples could be given where it would be, but it is not apparent. The most equitable count is one for the entire calendar year. Pay the school for all veterans processed over the entire year.

Schools who choose to participate in the advance payment of educational benefits do have additional responsibility placed on them for processing, security, and distribution of the checks. There is also an additional piece of paper to be completed when the check is released which requires re-reporting of much of the information which was included on the original certification. This piece of information verifies that the check was distributed and lifts the bar to benefits for further payments.

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